

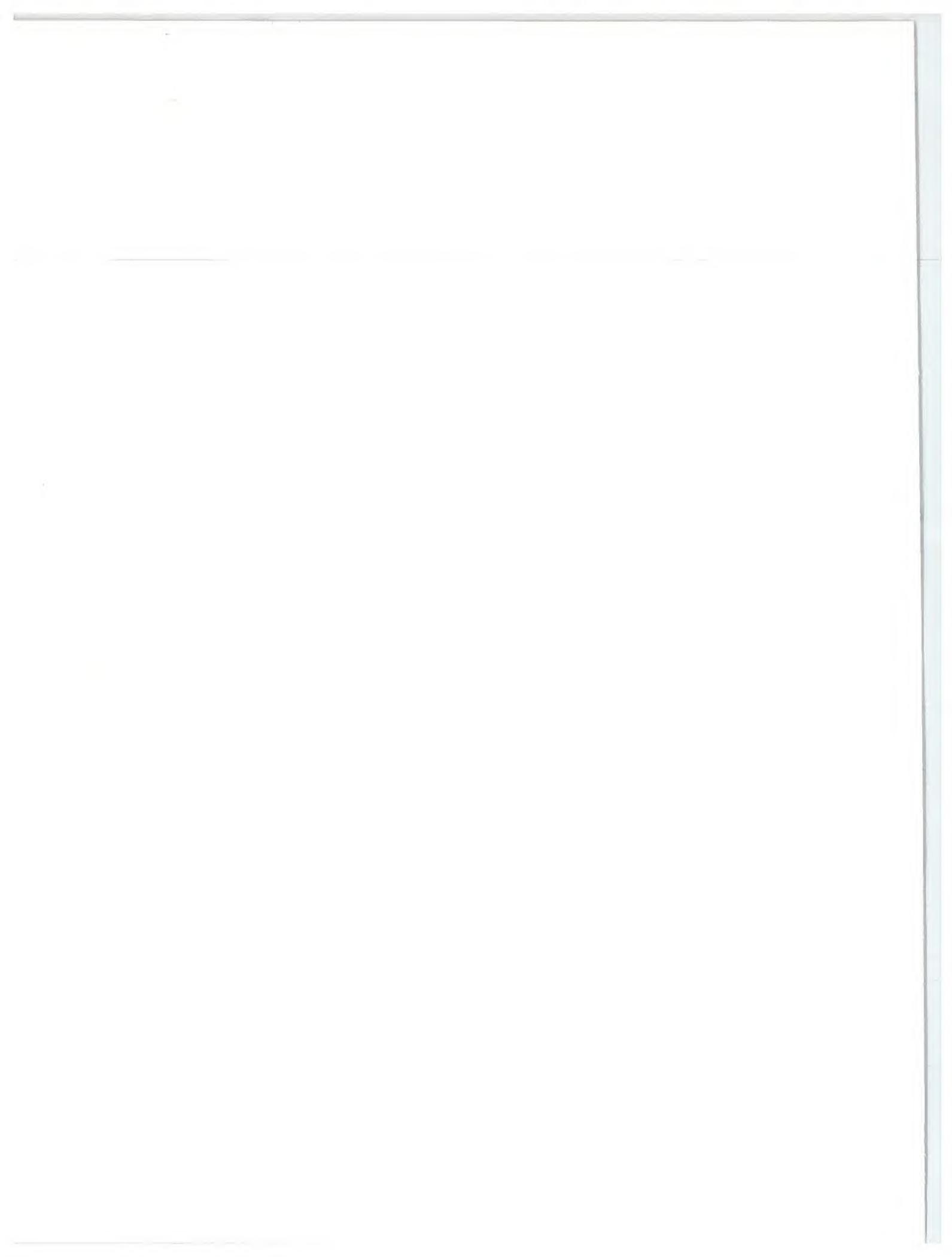
NOVEMBER 12. 66

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA



**A Canadian
Looks at
Modern Sweden**



FOREIGN TRADE

NOVEMBER 12, 1966

Vol. 126 No. 10

COVER: One of the Canadian products being marketed successfully in Sweden is warm-air construction heaters. They have recently received the approval of the Swedish Workers Safety Board. Here the Canadian Commercial Counsellor in Stockholm, D. S. Armstrong (left) discusses prospects with the firm's Swedish representative during the Stockholm Technical Fair where the heater was on display.

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Sweden and Canada 2

These two northern countries will become better acquainted with each other in the next two weeks as a group of twenty from Swedish industry and the Ministry of Foreign Affairs, headed by Prince Bertil, tours Canada. As this group arrives, "Foreign Trade" takes a look at Sweden and trading opportunities there.

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The Assistant Commercial Secretary in our Stockholm office points out certain similarities between the Canadian and Swedish economies and goes on to discuss the current economic picture in Sweden, with the emphasis on its foreign trade.

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In this article we get down to cases, analyzing the composition of the trade between Canada and Sweden, pinpointing export opportunities, and discussing how Canadian suppliers can make use of our Trade Commissioners in Stockholm.

Selling in Sweden 10

Selling raw materials to industry or specialized equipment to the Swedish Army differs markedly from selling pickles to co-operative stores or sportswear to a department store. In this section, each type of outlet is treated separately and useful lists of contacts, especially in consumer goods, are included.

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Selling to Sweden should begin with a personal investigation of the market. If you study this section, you will find that you will face that essential first visit with much greater confidence and that you will enjoy it much more.

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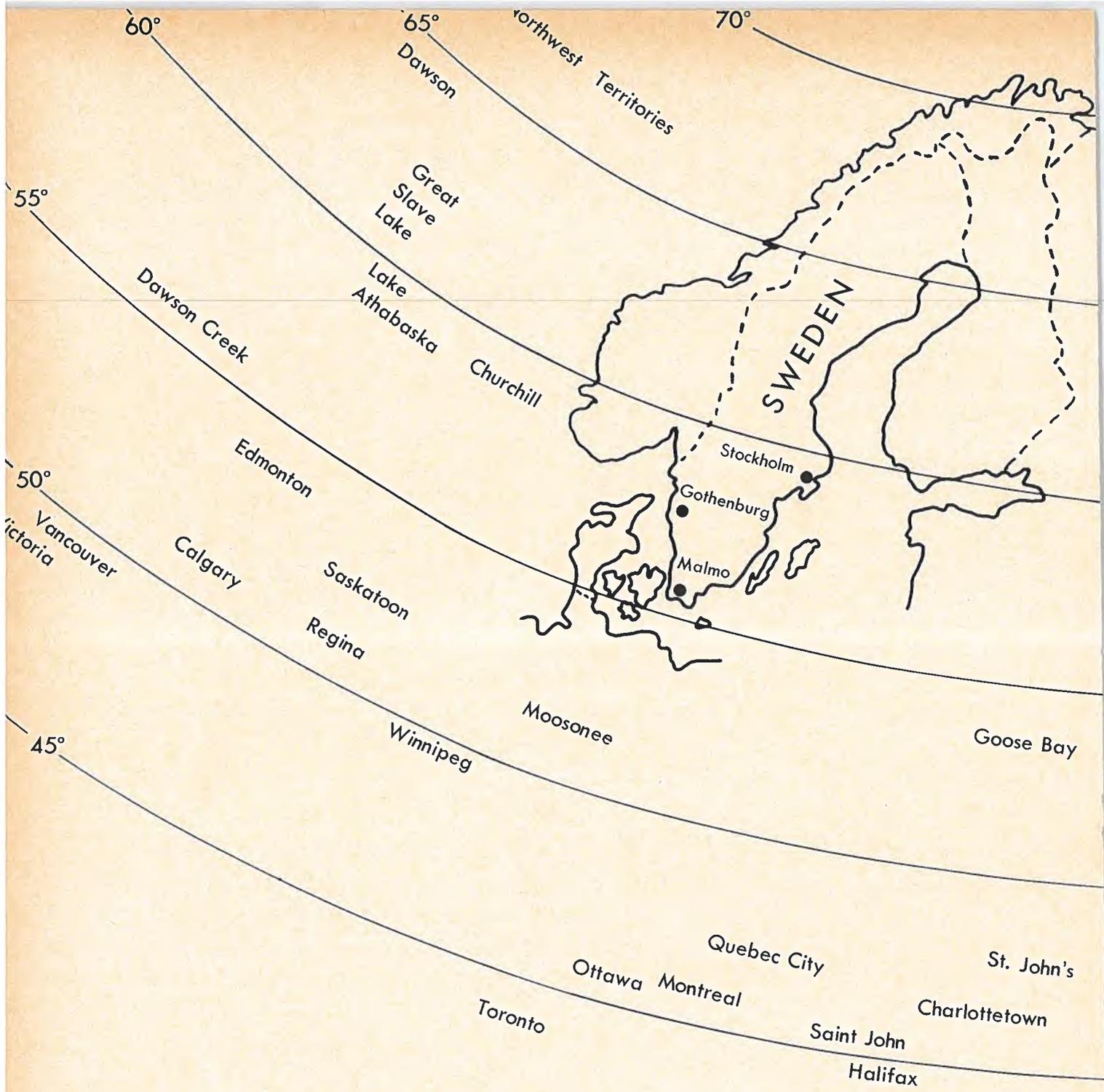
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COMING—OBTAINING WORLD BUSINESS THROUGH INTERNATIONAL FINANCING ORGANIZATIONS, NOVEMBER 26 ISSUE



Scandinavia has about the same population as Canada, a gross national product only 10 per cent lower, and an area one eighth as great. Unlike Canada, its four main "provinces"—Denmark, Norway, Sweden and Finland—have never achieved unity and each calls for its own distribution arrangements.

Sweden accounts for 38 per cent of Scandinavia's population and 45 per cent of the area's GNP. Its population is little more than Ontario's and its farm, forested and total area about half as much. Sweden's central areas lie as far north as Churchill, and even its southernmost tip does not come any nearer the Equator than does Dawson Creek. Although Sweden is large by European standards (twice the size of Britain), its two biggest cities are only four hours' train journey apart (slightly nearer to each other than Canada's two biggest cities), and two thirds of its population and production lie compactly within the belt between them. Like Canada again, Sweden has its Klondike and Eskimos in the north and has grown prosperous from forest products, mineral ores and hydroelectric power.

Sweden and Canada

Sweden is the continental European country that most resembles North America in attitudes and way of life. High purchasing power, low tariffs, receptiveness to new ideas, and a manageable size make it Europe's best test market, where the exporter meets all his potential competitors. This applies equally to consumer and to capital goods. For the former, moreover, sales are simplified by the existence of central buying organizations and the homogeneity of consumer tastes. In capital goods too, Canadian suppliers have opportunities provided by the advanced technical and structural development of Sweden's industry and the need for labour-saving equipment to cope with wage costs as high as Canada's.

(Figures refer to 1965 unless otherwise stated)

	Sweden	Canada		Sweden	Canada
Area					
Total in 1,000 square miles	170	3,852	Over 1,000 employees		
Per cent farm land	9	8	number of establishments	110	120
Per cent forest	55	48	number of employees	240,000	246,000
Per cent not arable	36	44	Production		
Population					
Total in millions	7.7	19.6	Electricity consumption per capita, gross kwh.	5.3	6.3
Per cent in towns with over 50,000 inhabitants	32	50 (1961)	Nuclear power station installed capacity, 1970, MWe	610	720
Number of such towns	17	29 (1961: incorporated only)	Finished iron and steel, million tons	3.3	11
Capital City					
Latitude	59°	45°	Grain crops, in million tons	4.4	35.6
Average temperature—January	26°F	12°F	Meat, in tons	380,000	1,500,000
—June	61°F	69°F	Housing units	97,000	153,000
Gross National Product					
GNP per capita, in Can.\$	2,900	2,657	Foreign Trade		
Per cent earned from farming, forestry and fisheries	8	6.5	Value in Can.\$ million—imports c.i.f.	4,710	8,633
Per cent earned from manufacturing and mining	36	30.6	—exports f.o.b.	4,274	8,523
Per cent invested	33	26.4	Imports per head of population, in Can.\$	612	440
Per cent exported	19	21.5	Private Consumption		
Per cent increase in GNP 1959-65, at constant prices	35	33.8	Total in Can.\$ million	11,700	32,100
Manufacturing					
Per cent of total value added from:		1963	Retail sales in Can.\$ million, excluding cars, houses, fuel, restaurants	6,000	15,300
Engineering and metalworking	48	37	Passenger cars per 1,000 inhabitants	216	262 (1964)
Forest industries	13	14	Telephones per 1,000 inhabitants	450	348 (1963; includes business)
Food	10	15	Television sets per 1,000 inhabitants	268	268
Textiles and clothing	7	8	Defence		
Chemicals	6	7	Expenditure as per cent of GNP	5.2	3.7
Total value added in Can.\$ million	5,600	13,200	Labour and Wages		
Total manufacturing sales value in Can.\$ million	12,600	31,600	Average hourly earnings by male workers in manufacturing industry	\$1.60	\$2.12
Manufacturing establishments with:					
Over 5 employees			1,000 working days lost due to labour disputes during the four years 1961-64	68	5,243
number of establishments	22,000	21,200	Taxes, as per cent of GNP 1964		
number of employees	1,260,000	1,415,000	Total	37.8	26.0
Over 100 employees			Personal income tax	15.6	5.8
number of establishments	3,400	2,700	Company income tax	2.1	4.3
number of employees	810,000	977,000	Social insurance	6.9	2.0
			Indirect taxes	13.2	13.9
			Income tax for married man earning \$5,000 a year, in per cent	24.0	11.0
			Income tax for married man earning \$10,000 a year, in per cent	36.0	21.0

A Canadian Looks at Modern Sweden

This month a Swedish delegation headed by Prince Bertil is traveling in Canada as part of its "Meet Modern Sweden" campaign. Here is a look at that country through the eyes of our Trade Commissioner in Stockholm. He sees many similarities to our economy, some differences, and good prospects for trade and investment.



One of Sweden's airmen is shown climbing into the cockpit of a Viggen multi-purpose combat aircraft. The planned production run of 800 units is one of the largest of its kind in Europe. Each of these planes carries a price tag of about \$200,000. They are important to the economy because of the technological developments generated.

JOHN BELL,
*Assistant Commercial Secretary,
Stockholm.*

CANADIAN BUSINESSMEN visiting Sweden for the first time are usually struck by the many similarities between our countries. They are also impressed by the thriving and affluent appearance of downtown shopping areas, the variety of quality goods on display—all of them apparently moving briskly—and the number of new commercial and apartment buildings. They always are interested in noting that Swedes drive on the left-hand side of the road (with left-hand drive cars). (The country will switch over to right-hand drive in September 1967.)

On looking further into the workings of the economy, one is invariably struck by the progress Sweden, a country with a population of 7.6 million, has made. The reason for this is worth seeking. Sweden's industrialization, which has largely taken place since the turn of the century, has been based on three principal resources: iron ore, forests, and waterpower. Throughout this industrialization period there has been a trend towards the development of a number of large companies specializing in particular fields. These companies have often built up strong international positions, evidenced by the fact that Swedish firms have over 1,000 foreign subsidiaries, about 30 of them in Canada. This situation results from a number of factors, plus favour-



Closed-circuit television is used to monitor barking and chipping operations at one of Sweden's most modern mills. This plant, which has a capacity of 800,000 solid cubic meters per year, was recently opened at Gruvon on Lake Vanern, West Sweden. It is a typical example of the high degree of technology that is one of the strong points of Swedish industry.

able circumstances which enable all of them to exist together. The Swedish skill in inventing and developing new products, Sweden's traditional adherence to low tariffs, the right environment for development of corporations, the labour-management peace, and the fact that Sweden has not been at war for a century and a half are all contributing reasons.

Present State

The buoyancy of the Swedish economy is shown by the 4.9 per cent average annual increase in the GNP over the period 1961-65. This has altered somewhat in 1965 and the first half of 1966 apparently because of a shortage of resources, principally labour. The acceleration in the price rise and rather large wage increases are indications of this. A trade imbalance in 1965 of \$437 million resulted as imports, buoyed by high demand, increased by 14 per cent

with exports increasing only 8 per cent. The unusually cold winter influenced exports more than it did imports.

The excess demand, confirmed by increasing prices and the change in the balance of payments, has caused the present tight Swedish credit market. The Bank of Sweden's official discount rate has increased since 1963 in five stages to the present 6 per cent, which has been in effect since last June. The result of this policy has been that deposit interest rates are up to 6½ per cent (4 per cent three years ago) and the rates of interest on loans are between 7½ and 9½ per cent. Banks must pay a punitive interest rate of twice the discount rate (12 per cent) when they borrow from the Bank of Sweden above a certain percentage of their own capital.

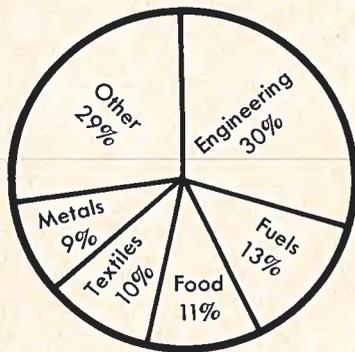
For the small man, loans are only available privately at 12 per cent. This high cost of credit or inability to

obtain credit has been a factor in the increasing number of company mergers which have become a significant characteristic of the economy. The amount of investment capital, though apparently unable to meet increasing demands, has expanded in absolute terms. A greater amount of savings has gone to the Swedish national pension fund. Some feel that this may result in proportionately less capital available for future business investment.

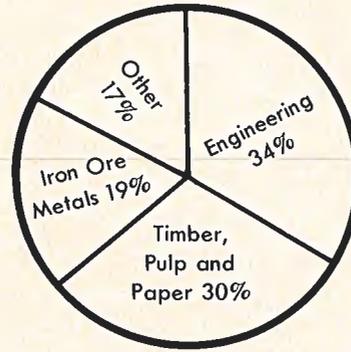
Slower Growth Expected

The findings of the 1965 Swedish Long-Term Economic Planning Committee indicate a lower rate of expansion of 4.2 per cent over the coming five-year period, mainly because of the slow growth in the supply of labour. Labour has recently increased about 1 per cent a year and will probably increase about 0.7 per cent over the next five years. Even with allowances for increased productivity, this will not be enough to meet demand. An interesting aspect of the labour market is the expectation that the increases will come largely from the rapid rise in the number of women in paid employment. In agriculture and forestry, employment is expected to fall by 1970 although farm production is expected to decrease by only 1 per cent a year and forestry production is likely to increase by 3 per cent a year. Slight expansion in manpower is expected for building, transport, construction and services, with production increases predicted in manufacturing and commerce of upwards of 5 per cent. Within manufacturing, the chemical, pulp and paper, iron and metals, and engineering industries are expected

SWEDEN'S TRADE IN 1965



IMPORTS
\$4.7 billion



EXPORTS
\$4.3 billion

to show important gains. Expansion in shipbuilding, shoemaking, food processing, and in the textiles and clothing and shoe and leather industries is expected to be limited.

The development and the promised future production by Sweden's relatively small aircraft industry of the complex SAAB 37 Viggen versatile military aircraft system is an interesting achievement. The aircraft will have a multi-purpose role because of the flying platform which can be equipped differently for reconnaissance, attack and fighter (interception) roles. It is to have STOL characteristics, so that ordinary highways can be used for runways. The aircraft will be fitted with complex equipment for flight control, navigation and weapons delivery which has been developed both by the Swedish electronics industry and by foreign contributors. The project is important to the economy because of the technological development it will generate and also because of its financial import. The estimated cost is about \$1.6 billion for upwards of 800 aircraft which will be delivered in the early 1970's.

Sweden's Foreign Trade

Sweden depends greatly upon foreign trade for its high standard of living; in fact, it accounts for 20 per cent of the GNP, which is about the

same as in Canada. Its tariffs on industrial products are generally low, about 5-10 per cent, rising to 17 per cent for a few items. (See article on page 20.) As in many other countries, farm products are an exception to this rule.

TABLE I
SWEDEN'S IMPORTS BY COMMODITY GROUPS IN 1965

Commodity Group	Quantity	Can. \$ million	Per cent of total
Fruit and vegetables		148	3.0
Coffee ('000 tons)	92	102	2.2
Other food		218	5.1
Beverages and tobacco		54	1.1
Raw materials		331	7.0
Coal and coke ('000 tons)	3,110	62	1.3
Petroleum and products		447	9.5
Chemicals		364	7.6
Textile yarn and fabrics		285	6.0
Iron and steel ('000 tons)	1,319	267	5.7
Non-ferrous metals		218	4.6
Machinery, non-electric		583	12.4
Electrical machinery		319	6.7
Motor vehicles (number)	210,775	390	8.2
Clothing and footwear		162	3.4
Instruments		115	2.4
Other goods		656	13.9

Norway, Denmark, Finland (associated member), Switzerland, Portugal, Britain, Austria and Sweden make up the European Free Trade Association. By January 1, 1967, tariffs facing industrial goods traded between these countries, except for Finland, will be eliminated, following successive yearly reductions since 1960. As one would expect, this has resulted in increased trade between Sweden and its EFTA partners, especially the other Scandinavian countries. Exports to Britain, however, have not increased to the same extent. Sweden's trade with the EEC has continued to account for about one third of its total trade and its deficit on that trade about equals the surplus on trade with the other Scandinavian countries.

Foreign trade expanded over 50 per cent in each direction between 1960 and 1965, but in 1965 and 1966 the export expansion slackened and the deficit in the balance of payments came to dominate economic policy. Exports go chiefly to Europe (81 per cent) and United States (6 per cent), and imports come chiefly from Europe (75 per cent) and the United States (10 per cent). A recent trend has been the greater trade with other Scandinavian countries, as already noted, less trade with the developing countries, and smaller imports from the United States. EFTA tariff discrimination has been of minor importance, and the fact the EEC suppliers, who have 38 per cent of Sweden's import market, can maintain their share against duty-exempt EFTA competitors is an encouragement for Canadian exporters.

Sweden's imports are summarized in Table I. Note that Sweden imports large quantities of fossil fuels (it has few fuel resources) and that machinery, iron and steel, chemicals, textiles and food all are important. Its principal exports are pulp and paper, iron ore, special steels, and engineering machinery and equipment. Sweden, like Canada, finds that an increasing share of its exports is in the form of manufactured products.

Sweden Comes to Canada

This month an important delegation headed by Prince Bertil is taking the "Meet Modern Sweden" campaign

to Canada. The idea is to give an accurate picture of modern industrialized Sweden and to promote Sweden in anticipation of the country's participation in the Nordic Pavilion at Expo 67. Canada and the Canadian market have understandably been given a lot of attention. One interest-

ing aspect has been the greater number of inquiries this office has received about having products manufactured in Canada under licence or in having Canadian goods made in Sweden under licence. Interest in exchanges of knowhow between our countries has also intensified. As a result of both

the "Meet Modern Sweden" campaign and Expo 67, Swedish media are examining Canada more and more, and Swedish importers, agents and wholesalers are looking to Canada with renewed positive interest. With these favourable conditions, expansion of our two-way trade seems assured. ●

What Canada and Sweden Trade

Sweden sells us mainly engineering products and finished manufactures, in exchange for our basic materials and foodstuffs. Skilful promotion, plus on-the-spot study of the market, could widen the range of our exports and introduce new products.

NORMAN PARSONS, *Commercial Assistant, Stockholm.*

SWEDEN accounts for about 1 per cent of Canada's foreign trade and Canada for about 1 per cent of Sweden's. Over the past decade, Canadian-Swedish trade has expanded at a rate of over 10 per cent a year and until 1965 it was more or less in balance. In 1965 our sales held at \$29 million, about the same as in 1964, after a 43 per cent increase from 1963. However, our exports to this country for the first five months of 1966 were up to \$15.25 million, compared with \$11.1 million for the same period of 1965. This may prove to be a seasonal variation, however, with our sales showing more moderate gains for the whole of 1966.

It should be pointed out, however, that Sweden records higher imports from Canada, at some \$40 million in 1965. This includes \$4.5 million worth of nickel from Canada but in addition, Sweden imports up to \$20 million worth of nickel from Britain

and Norway. This actually represents nickel matte from Canada. If allowance is made for this, Canada may actually have a favourable balance of trade with Sweden.

Canadian imports of Swedish goods reached \$55.6 million in 1965, when we bought about one fifth as much from Sweden as the United States did,

making us the Swedes' fastest growing customer. A large part of these imports consisted of various kinds of equipment used by our expanding resource industries, and a lot of this was bought by Swedish subsidiaries in Canada.

Canada is selling Sweden mainly basic materials and foodstuffs and Sweden is selling us mainly engineering products and an increasing variety of other finished manufactures. The latter are the sectors with the greatest growth potential and according to current trends, this will mean that Swedish sales to Canada will probably keep rising more rapidly than Canadian sales to Sweden.

TABLE I
SWEDEN-CANADA TRADE*

	Swedish Exports to Canada (f.o.b.)			Canadian Exports to Sweden (c.i.f.)		
	1961 (\$ million)	1965	Per cent of total 1961 1965	1961 (\$ million)	1965	Per cent of total 1961 1965
Total	24.3	50.1	100 100	21.7	40.2	100 100
Food	.5	.3	2.1 0.5	2.0	4.5	9.0 11.3
Basic materials, fuels	.4	1.1	1.7 2.1	2.9	13.1	13.2 32.6
Chemicals	.6	1.0	2.4 2.0	1.1	2.5	5.1 6.3
Semi-manufactures	4.7	11.7	19.2 23.4	10.3	10.6	47.2 26.4
Engineering products	16.6	34.1	68.4 68.0	5.1	8.2	23.5 20.4
Miscellaneous manufactures	1.5	2.0	6.2 3.9	.4	1.2	1.9 3.0

*Swedish statistics

TABLE II—CANADIAN EXPORTS TO SWEDEN

The figures are from official Swedish statistics which give c.i.f. values, and should be higher than corresponding Canadian figures which are f.o.b.

	1965 (Can.\$'000)	Per cent change 1964-65		1965 (Can.\$'000)	Per cent change 1964-65		1965 (Can.\$'000)	Per cent change 1964-65
Total	40,218	+ 2	Chemicals	2,540	+ 3	Machinery, Transport Equipment	7,411	+ 23
Food	4,298	- 25	Elements and compounds	1,539	+ 3	Machinery, non- electrical	2,754	- 11
Meat	639	- 14	Of which:			Of which:		
Of which:			organic	500	- 49	i/c engines, other than for a/c	4	- 96
fresh chilled or frozen	361	+ 33	Metallic salts, inorganic	679	+ 38	tractors, agricultural	448	- 36
beef	(55)	(- 35)	Radioactive elements, isotopes	80	- 23	office machines, calcul- ating, punch card equipment	1,162	- 26
horsemeat	(34)	(+ 28)	Pharmaceuticals (mainly medicaments and sera)	162	+ 11	weaving and knitting machines, aux.	51	- 4
offals	(269)	(+ 69)	Plastics materials	750	+ 16	excavating/levelling	67	+118
offals, dried, salted, smoked	264	- 47	Of which:			lifting and loading machines	158	- 49
Fish	948	+ 13	polymerization products	216	- 18	hand tools, motorized, non-electrical	124	+250
Of which:			Manufactures Classified by Material	11,411	- 18	packing machinery	1	- 96
fresh chilled or frozen	316	+ 75	Rubber manufactures	229	- 54	ball and roller bear- ings, n.e.s.	124	+160
salted, dried, smoked	226	+ 11	Of which:			Machinery, electrical	795	+194
canned	385	- 15	semis, unvulcanized	2	- 98	Of which:		
crab	(330)	(- 13)	piping, vulcanized	185	+ 45	switchgear etc.	57	+ 13
Cereals	1,877	- 46	Converted paper	257	+ 26	thermionic tubes, photo-cells, transis- tors	266	+127
Of which:			Textiles, excluding clothing	288	- 29	spark plugs	41	- 17
wheat, unmilled	1,873	- 43	Of which:			Transport equipment	3,862	+ 46
Fruit and vegetables	745	+ 30	fabrics, cotton	22	- 20	Of which:		
Of which:			fabrics, other than cotton (mostly syn- thetic staple)	87	- 63	cars	2,908	+ 48
apples, fresh	384	+ 5	fabrics, impregnated	126	-	parts for road vehicles	804	+ 31
pears, fresh	9	- 13	Refractory bricks	82	- 30	aircraft parts	3	- 89
vegetables including pickles	268	+149	Iron and steel	602	- 42	Miscellaneous manufactures	1,178	+ 16
Crude Materials, Inedible	13,150	+ 67	Of which:			Clothing	402	+ 6
Furskins	79	- 64	sheets under 3 mm. thick	233	- 72	Of which:		
Synthetic rubber	784	- 23	of other than high carbon or alloy steel	(43)	(- 94)	leather clothing	166	- 14
Timber, sawn and planed	118	+ 32	strip of alloy steel	110	- 34	gloves, not knitted	22	- 42
Asbestos	997	+ 1	Non-ferrous metals (ores given separately)	8,968	- 18	gloves, knitted	40	+ 12
Ores and concentrates	10,340	+110	Of which:			Optical elements	67	- 1
Of which:			copper, refined	2,770	+ 36	Medical instruments, non-electrical	49	+ 17
copper	8,642	+147	nickel and alloys, unwrought	4,373	- 22	Indoor games	25	- 32
nickel	934	+ 62	aluminum, unwrought	1,370	- 56	Outdoor sports equipment	293	- 6
tungsten	763	- 9	magnesium, un- wrought	31	+ 37	Lighters, mechanical, smokers'	97	+ 51
Fish waste	307	+ 32	Handsaws, saw blades	424	+ 12			
Seeds for planting	333	+ 86	Razor blades	248	+ 29			
Mineral Fuels and Lubricants	7	-100						
Motor spirit (gasoline), \$2.3 million in 1964								

Another measure of Canada's activity in Sweden is U.S. trade with Sweden. Exports by the United States are five times as great as Canada's to all markets but ten times greater than ours to Sweden. The disproportion is really even greater because most U.S. products that sell well in Europe soon are made there under licence, usually by a U.S. subsidiary; they disappear from the trade statistics but still represent overseas trade income for the United States.

The two countries account for proportionately equal shares of exports of basic materials and semis to Sweden but the United States supplies Sweden with 25 times more machinery, vehicles and other finished manufactures than we do. Canada is better known here for its ice-hockey sticks and skates than for its "American-type" cars, office machines and radio-T.V. components.

Composition of Trade

The main basic materials that Canada exports to Sweden are aluminum, copper and nickel ores and semis; various chemicals; asbestos; plastics materials and semis, and—astonishingly enough for the homeland of Sandviken and the Swedish Cellulose Co.—paper and alloys. The main foodstuffs shipped are wheat (fluctuating enormously from year to year), apples, salmon and meat. The main Canadian manufactures sold in Sweden are cars and parts, calculating machines and punch card equipment, electronic components, and some sporting goods.

As for Swedish exports to Canada, automobiles and other engineering products account for well over half (calculating machines, internal combustion engines, lifting and loading machines, motorized hand tools, etc.) and Swedish special steels, ball bearings and furskins (undressed) for most of the remainder.

Table I shows that 80 per cent of Swedish sales to Canada are made up of manufactures but only 23 per cent of our exports to Sweden fall into this class. In fact, the share of manufactured goods in these exports is declining and that of basic materials is growing.

The one-million-dollar increase in Swedish semi-manufactured exports to

Canada in 1965 was accounted for by special steels. Exports of other semis actually fell in absolute terms. Of the 68 per cent engineering exports, a steady 42 per cent represents non-electrical machinery, 11 per cent automobiles, 8 per cent metal manufactures, and 8 per cent electrical machinery.

Table II gives a breakdown of our important exports to Sweden. Generally speaking, this market offers good opportunities in almost every field, given the required promotion and personal attention. Because of the relatively low tariffs, manufacturers from almost all countries have turned to Sweden during the earlier stages of their export marketing and it is often regarded as a trial European market for foreign suppliers introducing new products.

Where Opportunities Lie

In 1965 we saw healthy gains in our sales of logging equipment, scientific instruments, food products and communications equipment and components. With the high Swedish standard of living and the present trends in personal spending habits, continuing sales opportunities for leisure-time goods, specialty clothing, and specialty foods remain good. Increasing rationalization in farming and forestry indicates a market for labour-saving equipment and machinery. Swedish military requirements should also be borne in mind, especially because Canadian equipment is often built for climatic and geographical conditions similar to those in Sweden.

Although our sales have been increasing, it is fair to say that the opportunities here have not been exploited to the full. This is mainly because our exporters have too often regarded Sweden as a fringe market and have not done the necessary promotion to get established and earn longer-term dividends. Sometimes Canadian products fall in between heavily promoted brands from large U.S. and Western European companies and keenly priced items from Eastern European sources. Of course there are also examples of Canadian successes. Stearns of Winnipeg has successfully introduced its automobile safety frost shields and now has good distribution over the entire country.

Bick's pickles have been placed on most Swedish supermarket shelves—a result of effective promotion through in-store demonstrations—and good marketing has resulted in the acceptance of Canadian smoked horsemeat.

Approaching the Swedish Market

These examples prove that not even the best products sell themselves. Manufacturing must be matched with marketing and this calls for some research into the market and a visit there. The exporter first asks: "Is Sweden a market for me?" because he knows it is wise to concentrate his energies on a few markets rather than disperse them among many. Several require a supplier to wait one or two years until he becomes known before buyers will place orders. This applies particularly to industrial buyers in Sweden. There are other factors. A company whose lathes are selling well in India would almost certainly be wasting its time trying to market the same lathes in a country like Sweden, with high labour costs. Similarly, a standard product selling well to the United States might not be able to bear the high transport costs across the Atlantic, though a more specialized product could quite well do so. If a company therefore is not prepared to make a proper investigation and work on a long-term plan, it should leave Sweden out of its program.

Once it has been accepted that the market is worth the considerable effort it will certainly take, a little desk research can yield results. The big Swedish banks will be glad to send you a well-thought-out guide to the market, written in English. Detailed import, export and production figures in the Official Statistics of Sweden will give total consumption and the nature of the competition. Trade figures by country are published two months after the end of each quarter. No knowledge of Swedish is required—only the Brussels Number of your product, which you can obtain from the Commercial Counsellor in Stockholm or from the Office of Trade Relations in Ottawa.

Trade Commissioner's Role

How else can the Commercial Counsellor help? He can make a quick judgment on your products,

Selling in

probably adding that a determined exporter can sell almost anything in Sweden. He can line up potential agents or buyers for you to meet when you visit the country and tell you something about them. But to do all this he needs full information from you on your products at least a month in advance of your visit and preferably longer. So send your catalogues (6 to 12 copies for distribution) and export price lists, explain to him how your product operates, what its applications are, who buys it, what rebates you offer, which markets you export to, what your production capacity is, how long your deliveries are, what previous business you have done in Sweden, and what contacts you have already made there. Finally, tell him when you intend to visit the market. Write to him direct (Commercial Counsellor, Canadian Embassy, Skeppsbron 24, Stockholm C, phone 24 87 40) or have a talk with the nearest office of the Department of Trade and Commerce, which will then write to Stockholm.

But the resources of a Commercial Counsellor are not unlimited. He and his staff are practical people who have a personal interest in getting Canadian products into the Swedish market, but their time must be shared among a number of Canadian exporters. If you wish—very wisely—to map the market thoroughly before launching your products, you may require the services of a market research firm. A consultant is likely to charge \$600 for a week's investigation or two-thirds as much if a junior is able to do most of the work.

Swedish firms often have very good facilities for export marketing in all the European countries. Two Canadian firms, one making restaurant equipment and one making industrial cleaning products, have tied in with Swedish firms making complementary products which sell in Sweden and in a number of other European countries. It should be mentioned that usually the foreign firms most successful in the Swedish market have established plants here or else have set up good warehousing facilities. At the time of writing, there are three Canadian companies doing the groundwork for establishing permanent sales offices in Stockholm. ●



The busy commercial waterfront of downtown Stockholm is the setting for the office of the Canadian Trade Commissioner Service in Sweden. Senior officer at the post is D. S. Armstrong, Commercial Counsellor, who took over this fall following a period of service in Ottawa. Note the Canadian flag flying in front of the building.

Sweden

NORMAN PARSONS, *Commercial Assistant, Stockholm.*

THERE ARE VARIOUS METHODS of selling in Sweden, as there are in most other markets, and the one to choose depends largely on the product to be sold. Generally speaking, consumer goods may be sold direct, through an import agent who buys for his own account, or through an agent who earns a commission on sales. It is also possible to distribute through a Swedish company which manufactures or distributes complementary products. Or when the situation warrants it, the Canadian company may consider establishing a branch or a non-trading office in Sweden or setting up a subsidiary company.

The best methods for selling consumer goods, selling to industry, and selling to the state are discussed on pages 11 to 20.

Branch Office—The exporter who decides to establish a branch office in Sweden must first obtain permission and provide a guarantee for the payment of all national and local taxes. This office may be under separate management and maintain its own

books, with a manager who holds an unrestricted power of attorney to act on behalf of the parent company in all matters affecting operations in Sweden.

Sales Office—For a sales office with staff soliciting orders but without authority to conclude contracts on behalf of the foreign company, there are no special registration or other requirements.

Limited Liability Company (Aktiebolag or AB)—The board of directors of such a company must have on it two resident Swedish citizens for every foreign national. The managing director and his deputy may be foreigners, provided approval is obtained. Only Swedes may form and register a company, but formalities can be avoided by buying a company that has already been registered. The minimum share capital is just over \$1,000, or \$5,200 if the company is foreign-owned. It may be entirely foreign-owned except where the Swedish company administers mines, forests, farm property or ships, or

where it processes minerals, engages in air transport or makes war materials. A licence from the Bank of Sweden is required to transfer capital into Sweden and is normally granted; dividends and interest payments may subsequently be transferred freely without special licence. To build a factory, permission must be sought from the Building Board and the Labour Board.

There are taxes that apply to all forms of subsidiary companies in Sweden. Company taxation is at an effective rate of 48 per cent, made up of state tax at the rate of 40 per cent and municipal tax at about 15 per cent of declared income; the latter is deductible from the former in the following year. A net loss may be deducted from taxable income in subsequent years. Inventories may be written down to 40 per cent of cost and depreciation of fixed assets, other than buildings, may be calculated at 20 per cent of cost, or 30 per cent of book value. A part of the profits may have to be retained as reserve funds. A double taxation agreement is in force between Canada and Sweden.

Selling to the Consumer

THE SIMPLEST WAY of getting an over-all impression of prospects in this market is to visit one of the new shopping centres. Stockholm's "Centrum" at Hötorgs City (Sergels torg) has 80 shops and an annual turnover approaching \$80 million—an amount that is doubled if the three department stores nearby are included. The suburban centres are perhaps more manageable for a visitor and only 15 to 30 minutes away by subway or car: Farsta has 40 shops, Vällingby 90 and Solna 80. The first two each have a primary population of 30,000, a secondary population of about

150,000 and a turnover of some \$26 million.

Department Stores and Chains—There are three full-scale traditional department stores in Stockholm: NK, PUB and Åhléns. When Swedes speak of department stores, however, they are usually referring to the department store chains—Domus, Epa and Tempo. There are 300 branches of these chains, one or more in practically every town of more than 30,000 people, and even if they are not always department stores in the full sense, they are certainly more

Norman Parsons, the Canadian Commercial Assistant in Stockholm, and author of this report, discusses marketing methods with the manager of the city's newest supermarket. Canadian string beans, canned crab and lobster, relishes and fresh apples are all on display in this store.



than mere variety stores. A typical sales area is 10,000 square feet, although 35 have more than 30,000 square feet. The collective department store is a further development: 15 were started in the past year and more are under construction, mainly in reconstructed town centres. These look like the usual department store but each section is owned separately by a small shopkeeper.

Discount Houses have made some progress in Sweden. They offer 15 per cent lower prices, locations near a motorway, parking for several thousand cars, and a sales area the size of one or two football fields. Examples are the co-operative Obs stores at Vårby and Rotebro, the Ikea furniture stores, NK's Bromma warehouse, and Wessels at Malmö, and the planned Örebrostore. New plans, however, are for shopping centres with at least two such stores.

Mail Order Houses account for 4 per cent of non-food retail sales in Sweden. They doubled their sales from 1959 to 1964 to \$110 million and are fairly certain to repeat this performance by 1970, despite a slowing down in 1965-66. There are 40 firms with catalogues but half-a-dozen account for two-thirds of total turnover and

all but one of these are in Borås, near Gothenburg. Textiles and clothing represent 60 per cent of mail order sales. Only one firm offers credit.

Mobile Grocers account for 10 to 15 per cent of food sales in the rural areas, and a telephone order company, Hemköp, delivers \$7 million worth of food and daily goods in the Stockholm area. Vending machines have limited sales.

Hours of Business

Retailers are normally open from nine a.m. to six p.m. but it is the times that do not coincide with business hours that are of greatest interest. Most Stockholm shops stay open until eight on Monday. On Saturday the department stores are open until four and smaller stores until one or three p.m. Banks and tradesmen's shops (e.g., cobblers and locksmiths) are closed on Saturday. Part of Åhléns department store is open until ten every evening and from one to ten p.m. on Sundays; it is basically the food store that is open but daily goods are also on sale, such as shirts, stockings, stationery, newspapers and gift articles. The kiosks run by Svenska Pressbyrå at railway stations and on town squares (there are 300 in Stock-

holm alone) sell newspapers, fruit, etc., from seven in the morning until ten at night. The Obs discount house and the nearby Ikea furniture store are open eleven to seven Monday-Thursday and until eight on Friday. NK's Bromma warehouse is open until eight on Friday, and on Sunday from one to four for viewing, though goods may not be removed on Sunday.

Trends in Retailing

In Sweden, as in Canada, the outstanding developments are the voluntary groups of retailers and wholesalers and the shopping centres in and outside the towns. Distribution is everywhere being channelled into fewer and bigger retail and wholesale groupings, fewer and bigger shops, fewer product lines that can be ordered in larger quantities, and more self-service for both food and other products. Almost all retail outlets today want standardized, easily handled and well-advertised goods, with a fast turnover and informative packaging. In most of this Sweden is ahead of the rest of Europe but at least ten years behind North America.

Three features of distribution in Sweden may be distinguished as more important than in Canada:

TABLE I
RETAIL SALES BY TYPE OF BUSINESS, 1965

	Total	Food	Non-Food
All shops			
millions of dollars	6,100	2,700	3,400
per cent	100	100	100
Consumer co-operatives	17%	26%	9%
These are the Domus department stores and Konsum shops, which buy chiefly through the Swedish Co-operative Union and Wholesale Society, KF.			
Producer co-operatives	1½	3½	—
These are the marketing associations formed by farmers for selling their meat, milk, eggs, etc., and are relatively small.			
Multiples and chains	10	8	12
These include Epa, Tempo (but not Domus), Metro, Norrmalms, Endres, Sabis etc., and also non-food multiples such as Oscarica (with 216 footwear shops) Gulins (22 men's outfitters), Kapp-Ahl (50 clothing shops), Stille-Werner (50 shops selling babies' and surgical goods), Guld-Fynd (30 jewellery shops), Alderbolagan (25 sports shops), Buketten (24 florists), Svanströms (25 stationers), Nila (52 shops for surgical goods). Department-store chains and food multiples account for well under half of non-food turnover in this group.			
Mail order	2½	1	4½
Turnover, which is 60 per cent for textiles and clothing, includes the Hemköp telephone-order firm, mainly food.			
Other private shops	69	62	75
voluntary chains	—	45	—
kiosks	4	3	1

● Department stores numbered perhaps half-a-dozen ten years ago and were distinct from the 90 rather cheap variety stores. Today there are over 300 department stores, all quality-minded. Moreover, buying for them is done by three offices and in two years or so these will be handling one-fifth of retail trade.

● The over-65's are displacing the teenagers as the age group with money to spend. Swedish State pensions amount to two-thirds of annual earnings during the best fifteen working years, with full protection against inflation and without taking into account private insurance. Ninety per cent of teenagers, on the other hand, will be students by the early 1970's.

● The Swedish market is homogeneous and rather conformist, with a place for neither the luxurious nor the cheap. The right product at the

right moment can suddenly sweep the country.

Channels of Distribution

Retail sales in Sweden totalled nearly \$6 billion in 1965, or half of total private consumption. (The other half included spending on houses, cars, fuel, pharmaceuticals and alcoholic beverages.) Turnover on day-to-day goods such as food, newspapers, tobacco, detergents, stationery, household utensils, shirts, stockings, etc., represented perhaps half of this.

The shops handling these were once simply grocers but are becoming general drug stores. The 10,000 members of purchasing groups and voluntary chains, such as ICA, Vivo and Favör, account for nearly half of daily goods sales. Chain-stores and multiples such as the co-operatives, Epa, Tempo, Metro, etc., with their 5,500 shops, account for over one-third and the remaining 15 to 20 per cent of sales

are made by independent shops, which some people expect to disappear within ten years because of credit difficulties.

Buyers of 'Daily' Goods

Sweden has three wholesale groups handling food and other day-to-day purchases such as toilet and household articles, shirts, stockings, cigarettes and magazines that grocers now sell. Each had a turnover of about \$312 million in 1965. Ideas pioneered by one or other of these groups—such as joint buying, joint advertising and their own brands—have long since been adopted by all.

Retailers affiliated with a group buy only part of their goods from their wholesaler, though it is an increasing part. Co-ops buy over half, Ica members average 40 per cent, and Vivo and Favör shops probably less. Beer and cakes come direct from the brewer and baker, meat and milk from the meat and milk marketing associations, tobacco from Svenska Tobak.

Co-operatives Flourish

Farmers' co-operatives handle the great bulk of Swedish milk, meat and eggs at the wholesale level but—in marked contrast to Canadian co-operatives—account for only a contracting 3 to 4 per cent of retail food sales. The Swedish Co-operative Union and Wholesale Society, KF, follows the Rochdale tradition and starts with consumer ownership. It grew strong, broke price-rings, and today it is by far the biggest wholesaler and retailer in Sweden and one of the top four manufacturing organizations as well. KF was years ahead with self-service and has recently made headlines by the speed and vigour with which it is centralizing buying and reducing the number of its wholesale and retail units. The best sites are rarely without a Co-op store.

KF—pronounced 'koh-eff', for Kooperativa Förbundet—sold goods to a wholesale value of \$795 million in 1965, of which two-thirds went to the 4,600 Co-operative retail outlets. These, with retail sales of \$1,058 million in all and \$635 million in food, accounted for 17 per cent of Swedish retail turnover and 26 per cent of food sales. Retail co-operative shops bought well over half their purchases from KF; non-KF purchases mainly

consisted of fresh produce from local farmers' co-operatives and bread. Imports account for 13½ per cent of non-food purchases—a smaller proportion than five years ago.

Co-operative retail outlets normally carry the name Konsum, but the department stores have special names—the 135 Domus and 12 Kvickly, Forum in Uppsala and Sundsvall, and the 'flagship'—PUB, the traditional department store in Stockholm.

Purchasing by the Co-operatives is becoming increasingly centralized at KF in Stockholm and it is with the buyers there that Canadians should make contact. There is no point in approaching a local Konsum grocer or an individual Domus department store or an Obs discount house except to find out what sort of trade they do, because the business of choosing and deciding is concentrated in the buying departments at KF. This, of course, is where the Canadian supplier must make himself known.

ICA—Joint Purchasing

ICA (known as "eekah") is a voluntary association of over half of Sweden's 15,000 independent retailers and acts as a wholesale organization for them. ICA members had 1965 sales of \$729 million, or over a quarter of retail food sales in Sweden. Some 40 per cent of these purchases were made through the central purchasing organization and over 90 per cent of purchases of imported groceries. There are three local buying organizations with a total turnover of \$312 million, and it is these that suppliers need to approach: Hakon Swenson in Västerås, Eol in Gothenburg, and SV in Stockholm. The number of stores is declining and by 1970 there will be about 5,000, but the size of stores is increasing. About a hundred new ICA stores are opened each year to replace smaller ones closed down.

Provision Wholesalers Company

ASK, the provision wholesalers company, made purchases of \$186 million in 1965 for wholesale grocers with sales totalling \$354 million—half of it by five major firms. ASK wholesalers buy 60 per cent of their purchases through ASK. Non-food products account for only 14 per cent but are increasing rapidly; they include paper products, stockings, household

Key Contacts in Selling Consumer Goods

Food

Co-operatives

Kooperativa Förbundet, Stadsgården 6, Stockholm 15, Phone 44 90 60

ICA

AB Hakon Swenson, Sjöhagsvägen 3, Västerås, Phone 021-44 10 00

AB Eol, Mejerigatan 1, Gothenburg 5, Phone 031-40 91 00

AB Speceristernas Varuinköp, Lindhagensgatan 114, Stockholm 30, Phone 54 00 20

ASK

Unil AB, Industrivägen 12-14, Solna, Stockholm 60, Phone 27 29 80

AB Möller & Co, Hallvägen 21, Johanneshov, Stockholm 20, Phone 59 00 20

AB Manne Tössbergs Eftr, Alströmergatan 22, Stockholm K, Phone 54 03 00

AB Svenska Pressbyrå, Strandbergsgatan 61, Stockholm 30, Phone 54 18 60

Metro-Butikerna AB, Strandbergsgatan 57, Stockholm K, Phone 54 01 00

Non-Food

Department Stores

NK: AB Nordiska Kompaniet, Hamngatan 18-20, Stockholm C, Phone 23 00 00

Åhléns: Åhlén & Holm AB, Ringvägen 100, Stockholm Sö, Phone 44 99 00 (this address is for the buying office, not the main store).

PUB: see Kooperativa Förbundet above.

FL: Ferd. Lundquist, Östra Hamngatan 42, Gothenburg C, Phone 031-17 33 00

Department-Store Chains

Domus: see Kooperativa Förbundet above

Epa: AB Turitz & Co, Gamlestadsvägen 3, Gothenburg N. Phone 031-25 03 00

Tempo: see Åhléns above

Mail Order Houses

Wiskadals Fabriks AB, Skaraborgsvägen 21, Borås, Phone 033-12 73 40

Allmänco AB, Fabriksgatan 8, Borås, Phone 033-12 74 00

Ellos-Tekåde, Skaraborgsvägen 62, Borås, Phone 033-12 79 80

articles, and articles for leisure activities such as camping and gardening. ASK members stand behind the two voluntary chains of retailers—Vivo and Favör—with about 1,500 members.

An overseas supplier should turn to Unil (United Nordic Importers Ltd.), the ASK subsidiary for importing foodstuffs, but may also turn to the individual wholesaler.

Covering the Market

Visits to the three organizations given above open up 80 per cent of potential sales of many kinds of foodstuffs in Sweden. The concentration of

buying into fewer and bigger channels also applies to many other products and for these, four visits open up half the market: to KF, for PUB, Domus and the other 4,000-odd Co-operative outlets; to Åhléns, for Åhléns and the 67 Tempo stores; to NK for its seven stores; and to Turitz for the 100 EPA stores. All except Turitz are conveniently located in Stockholm. Then there may be a joint purchasing organization, such as Jernkedjan for hardware, Sko-Ifa for footwear, Detex for clothing, Samex for radio and television, Treab for tobacconists' goods, and Sambo for furniture, or a dominant wholesaler such as Brio for toys.

When distribution is so streamlined, is an agent really necessary? The answer is undoubtedly yes, though other possibilities are always worth exploring.

Sales of consumer goods, as of other products, can be made either direct, through an import agent buying on his own account, or through a commission agent working on commission. Other possibilities are to distribute through a Swedish company distributing or even manufacturing complementary products, or to establish a subsidiary of one's own.

Direct sales are a possibility for a standard product not requiring service or the keeping of stocks and for sale to a department store, department-store chain, or mail order house. Contact must be made either through a visit to the market, preferably repeated at least once a year, or a visit to Britain by the buyer for the Swedish store. The big organization favours the firm willing to sell direct.

The traditional department stores, with a joint turnover of perhaps \$125 million, are often well suited to launching a new product, even when it may be worthwhile to work the specialist shops later. Best results are usually obtained by starting with only one of the three Stockholm stores and demonstrating a product there. A demonstrator costs \$200 a week and an advertisement shared with other products a similar amount.

The department store chains, each with a retail turnover of more than \$208 million, offer the most concentrated sales outlet for a product that is suited to bulk purchasing, certain of rapid turnover, simple to sell without explanation by the clerk, of good quality but marketable at a lower price than comparable products elsewhere, and eye-catching and therefore suitable for self-service and impulse buying. Both these outlets prefer in principle to buy direct from a manufacturer though in practice they are often content with an agent.

Specialist shops are suitable for continuation sales after the department-store launching, especially for sales of goods requiring qualified explanation and service. Here too there are joint buying organizations, but in general an agent is necessary to reach these smaller retailers. Even when there is central buying, an agent can sometimes work usefully with shop-

keepers. Retailers can be persuaded to ask for a product, with the result that it is taken up by the central organization. But even a central buyer may need to have the product kept in front of him until he is ready to take it up, a need that letters are not likely to fill.

The appointment of an agent means that more than one group of buyers can be contacted but he must receive a commission. Most imports into Sweden are handled by sole

agents in Sweden only. An agent is indispensable when service is necessary, such as giving information, technical guidance, and making repairs and adjustments. An importer buying on his own account is recommended when stocks must be kept. A commission agent can operate with lower costs than an importer because, though he engages in the same degree of promotion effort and may give just as much service, he does not need to handle goods. ●



This is Hasselby Gard, a suburb of Stockholm. Situated to the west of the city, it features modern apartment buildings of different sizes around a shopping centre. Areas such as this one with its large stores are becoming important retail outlets.



A new era in the town planning of Stockholm is marked by these skyscrapers and modern shopping centre which complement the concert hall and Waterget area.

Major Companies in Three Cities

COMPANIES LISTED have at least 100 employees and are within one hour of the city centre.

Stockholm

Most of the information in this report applies to Sweden's capital because most Canadians visiting the country

will spend the greater part of their time in Stockholm and because most head offices and central organizations are there. Although Stockholm is a major industrial centre, most of its factories are medium-sized or small.

Manufacturers within one hour of Stockholm, with more than 100 employees

Engineering: Alfa-Laval; Atlas Copco with Svenska Diamantbergborring; Svenska Maskinverken, Billman-Regulator, Asea Graham, Max Sievert, Svenska Precisionsverktyg, Calor, Defibrator, Arenco, Bergman (Wedaverken), Mikro-Verktyg, Nordiska Metallduk, Knut Olsoon (Kocoverk), Ulvsunda Verkstäder.

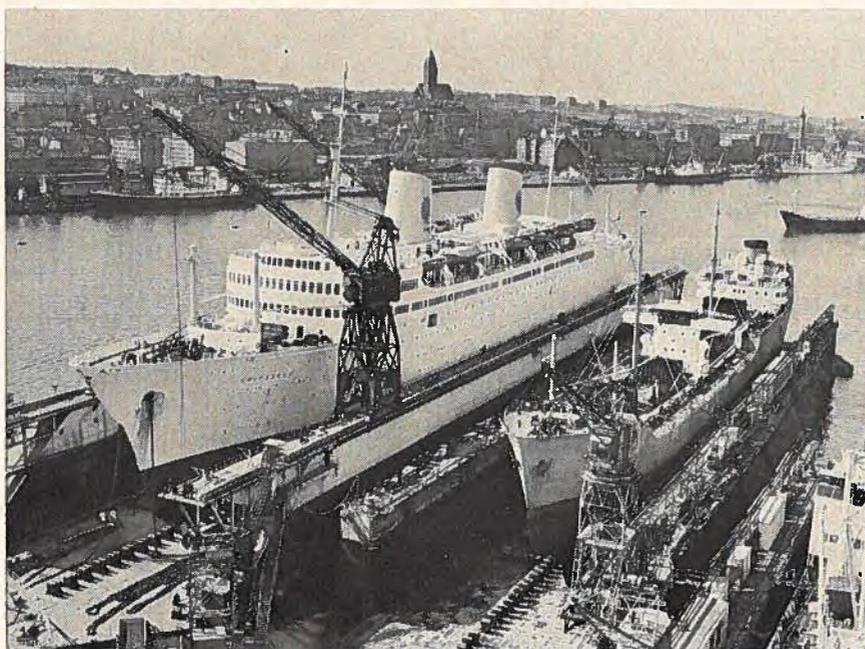
Vehicles, ships: Scania-Vabis, Finnbooda Varf, Nymanbolagen.

Electronics: L M Ericsson, with Svenska Radio, Rifa, Sieverts Kabel, Standard-Radio, Gylling, Arel, Svenska Radio, IBM, Philips Industrielektronik, Philips Teleindustri.

Electrical: Electrolux, Lumalampan, AEG, Erik Sundberg.

Cables: Sieverts, Liljeholmens.

Chemicals: Helios, Casco, Liljeholmens Stearin, Beckes, Gernandt, Ulvsunda Gummi.



A liner and a merchant ship are shown laid up for repairs in the Gotaverken floating drydocks on the waterfront of Gothenburg, Sweden's major port and second city.

Toilet articles and pharmaceuticals: Astra, Pharmacia, Cederroths, Barnängens, Oxygenol, Kabi, Gahns.

Clothing: Saléns, Svenska Warner, Ivar Wahl.

Flour-milling: Kungsörnen, Tre Kronor, Saltsjöqvarn.

Food, other: Marabou, Choklad-Thule, Slakteriförbundet, Stockholms Bryggerier.

Stone, ceramics: Gustavsberg, Uppsala-Ekeby, Stora Viken.

Gothenburg

Gothenburg itself has nearly half a million people and the Gothenburg area has about 800,000. Gothenburg is Sweden's premier port, is not far behind Stockholm as a manufacturing centre, and has many good agents and distributors covering the whole country. Many find it a less hurried and friendlier city and it has more British ties.

Manufacturers in Gothenburg

Engineering: SKF, Pumpindustri, Esab, Pullmax, El-och Gassvets, CTC.

Vehicles, ships: Volvo, Eriksberg, Götaverken, Lindholmens varv.

Refineries: BP, Shell (Kopparfors).

Chemicals: Esso (cracker), Unifos, Berol, Soab, Surte Glas, Dorch Bläcksin, Förenade Färg.

Textiles: Gamlestaden, Molnlycke, Galon, Jonsereds Fabriker.

Clothing: Melka, Göteborgs Konfedktion, Essge, Wallengrens, Wettergren, Tornvalls. Borås, an hour away, has Sveriges Förenade Trika, Borås Wäfveri, Kilsund, Algot Johansson, etc.

Forest products: Papyrus.

Food and brewing: Tre Lejon (Co-op flour mill), Pripps (beer).

Trading companies in Gothenburg

Wholesalers: Turitz (Epa), Eol (Ica), Clarholm & Bergman (Ask and Vivo), Elof Hansson, Ada (pharmaceuticals).

Retailers: Ferd. Lundquist, Gulin.

Shipping Lines: Broström group, including Swedish American, Swedish East Asia and Tirfing Lines.

Malmo

Malmö lies at the southern tip of Sweden, opposite Copenhagen and 320 miles from Stockholm; some 600,000 people live in the coastal strip stretching north to Höganäs.

Manufacturers within one hour of Malmo

Engineering: Addo, Åbjörn Andersson, Limhamns Aduceringsverk.

Ships: Kockums, Öresundsvarvet.

Packaging: PLM, Tetra Pak.

Chemicals, plastics: Förenade Superfosfat, Trelleborgs Gummi, Svenska Polystyren, Ferrosan.

Building products: Skånska Cement, Svenska Icopal, Limhamns Träindustri, Skandinaviska Eternit.

Textiles and clothing: Mab & Mya, Malmo Strumpfabrik, Fougstedts, Zober.

Food: Sockerbolaget, Findus, Felix.



—American Swedish News Exchange Photo

This spanking new office building sits in the centre of the Kockum Shipyard in Malmo. This important maritime city lies at the southern-most tip of the country.

Selling to the State

PUBLIC SPENDING is expanding more rapidly than spending in any other major sector of the economy and purchasing is concentrated in the hands of a relatively small number of organizations. Orders are not obtained easily. A personal visit by the manufacturer is highly desirable, up-to-date technical information must be fed in over a period of time, and an agent is usually needed, though for some products direct selling only can be considered. A letter containing a full description of the products offered should be sent well in advance of the Canadian manufacturer's visit.

The following gives a rough guide to state purchasing:

Defence—Armed Forces Supply Administration (Office of the Quartermaster-General), Försvarets Intendenturverk, Centrälvagen 6, Solna 1, Phone 83 05 80.

This office buys textiles and foodstuffs, but specialized equipment is bought by the Arméförvaltningen, Marinförvaltningen or Flygförvaltningen—all at Banérgatan 62, Stockholm 80.

Hospitals—Joint purchasing organization for the County Councils, Landstingens Inköpscentral LIC, Svetsarvägen 20, Solna 1, Phone 98 02 60.

Schools—Joint purchasing organization for borough and local authorities, Kommun AB, Hornsgatan 68, Stockholm SV, Phone 44 09 40, (at present small).

Government Departments — Some products are bought jointly for all departments, as the list below shows.

Office machines and supplies: Post Office Board, Generalpoststyrelsen, Vasagatan 28-34, Stockholm 1, Phone

22 65 00. State Railways and Board of Telecommunications buy independently.

Vehicles: Vehicles Road Board, Kungliga Väg- och Vattenbyggnadsstyrelsen, Rålambsvägen 3-5, Stockholm 12, Phone 22 96 60.

Fire hose: Civil Defence Board, Kungliga Civilförsvarsstyrelsen, Jämtlandsgatan 97, Vällingby 1 (Stockholm), Phone 37 26 20.

Wine and spirits: Wine and Spirits Monopoly. Wholesale: AB Vin- & Spritcentralen, St Eriksgränd 121, Stockholm 6, Phone 22 22 00. Retail: Nya Systembolaget, Kungsträdgårdsgatan 14, Stockholm 16, Phone 22 95 80.

Foodstuffs—The biggest single buyer is Försvarets Intendenturverk, listed above.

Selling to Industry

SWEDES SEE the prosperity and rapid development of Canadian industry as their big opportunity. In the same way, Canadian exporters can look to Sweden's well-equipped and technically advanced industry to provide opportunities for them. In fact, specialized capital equipment for industry represents their biggest potential market.

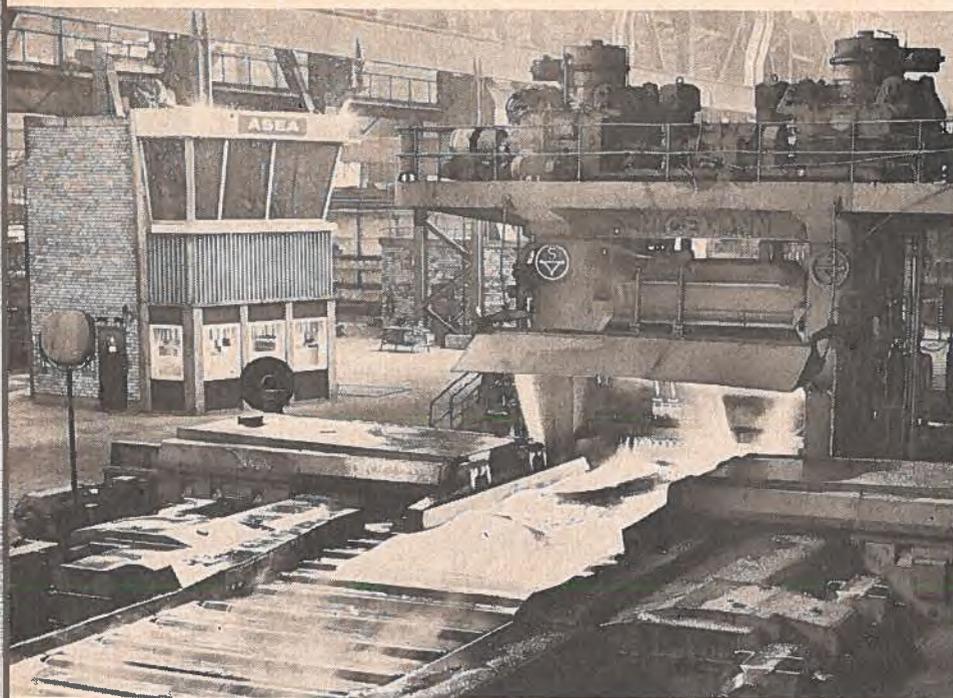
Marketing Setup

Sweden's present prosperity rests on the metal and engineering industries, with their output of special steels, machinery, automobiles, ships, hardware, electrical and telephone equipment, ball bearings, etc. Swedish industry makes a wide range of products but also imports them. The list of major manufacturers in the accompanying box feature provides a checklist of potential Swedish customers—and of your worldwide competitors.

As in selling consumer goods, you may make direct sales or work through an importer or commission agent. Direct sales are rare, except occasionally to the armed forces, which have their own buying offices abroad. Direct contact between manufacturer and buyer is essential for many products but a local representative is still necessary. Licensing agreements and the establishment of a subsidiary are two important methods already discussed. Sweden has more potential licensors than licensees, but inquiries, accompanied by exhaustive information on the product, can be channelled through the Federation of Swedish Industries and other Swedish organizations. Although only two Canadian companies have so far set up subsidiaries in Sweden, there may possibly be more; Britain has about 130 and the United States probably a similar number.

The key to selling is to find out about the market and although the Commercial Counsellor can provide clues, regular personal visits are an absolute prerequisite for sales. Because service is usually required for capital goods—such as technical advice and literature and the stocking of parts—an agent is practically essential. The following points on how to sell in this field are worth recapitulating:

Visits—at least three full working days regularly once or twice a year, with ample advance warning for arranging meetings, are essential for getting the best out of a distributor and establishing direct contact with potential customers, especially in the armed forces. The visitor must be a qualified technical man. It is also valuable to invite your agent to visit you in Canada to discuss new projects before you go ahead with production.



This is a view of the plate mill at the Grängesberg iron and steel works at Oxelösund.

Swedish Manufacturers with Group Sales exceeding \$100 million

Company	Main Products	Turnover in \$m	
		Group	Parent Co.
SKF	Ball bearings	587	145
Volvo	Automobiles	577	341
KF	Co-operative	493	493
Asea	Electric machinery	437	211
L. M. Ericsson	Telephones	344	153
Skanska Cement	Building materials	245	245
A. Johnson	Steel, engineering	230	—
Saab	Airplanes, automobiles	230	159
Scania-Vabis	Trucks	227	173
Alfa-Laval	Separators	210	46
Stora Kopparberg	Steel, pulp, paper	208	188
LKAB	Iron ore	197	197
Swedish Match	Matches	191	15
Electrolux	Domestic electrical appliances	190	77
SCA	Pulp, paper	183	156
Sv. Metallverken	Non-ferrous metal products	178	163
Grangesberg	Iron ore, steel, shipping	174	148
Atlas Copco	Pneumatic drilling equipment	160	59
Uddeholm	Steel, pulp, paper	159	142
AGA	Lighthouses, electronic equipment	153	39
Boliden	Non-ferrous ores and metals	149	98
Sandviken	Steel	142	110
Bofors	Steel, armaments, etc.	112	84
Sockerbolaget	Sugar and products	112	90

Technical data—a Swede can never have too much. Good technical literature cannot be sent too often, quotations cannot include too many technical details, your representative visiting Sweden cannot be too well informed technically. How many Swedish orders you get depends not upon a 2 per cent rebate but upon the technical performance of your product and a detailed presentation of it.

Purchasing agent—don't sidestep him. He will make sure that you meet the right technical and other staff in his company. He is unlikely to make the final choice of purchases but he will have many opportunities of putting in a decisive word for or against your product.

Deliveries—fast delivery will win the order even over a lower bid, but you will never receive another order if the delivery date is over-optimistic. A broken promise will not be excused because you could not foresee the holdup. Once you know that goods can be held up a month in Stockholm harbour, it is a matter of course to fly them in.

Quick results are the exception in Sweden. Make a proper investigation of the market, draw up a long-term program with your distributor, be prepared for a couple of years' wait until people know you and are convinced you are really staying in the market—then the orders may come. ●

For Reference

IF you want more information on Sweden, get copies of these.

Some Data about Sweden. 117 pages. On request from Stockholm's Enskilda Bank, Stockholm 16.

The Scandinavian Market. 64 pages. On request from Svenska Handelsbanken, Stockholm 16.

Facts about Sweden. 50 pages. 6 kr (\$1.25), from the Swedish Embassy in Ottawa or the Swedish Trade Commissioners in Toronto or Vancouver.

Official Statistics of Sweden, Quarterly Statistics, January-December, Imports, \$83. Order through the Swedish Trade Commissioners in Canada.

Sweden's Import Regulations

Customs Duties

Nearly half of Sweden's imports by value enter duty-free, including all ores, fuels, ships and aircraft, raw materials, basic inorganic chemicals, pharmaceuticals, rubber, fibres (except rayon), hides, pigments, wood pulp, Mediterranean and tropical fruits, and most samples. If an import does not threaten a Swedish product, there is a case for removing any existing duty on it. Tariffs are chiefly ad valorem, based on the c.i.f. value. The few specific duties by weight, mainly on farm products, are charged net, without packaging. There will be no duties on industrial imports from EFTA countries beginning January 1, 1967. The Brussels Nomenclature is used.

The tariffs given in Table I are averages for the group and do not apply to individual products. Those on materials are mostly 5 to 10 per cent, and on manufactures 12 to 17 per cent. Few tariffs are higher than 20 per cent.

A ruling on the rate of duty on a particular product can only be obtained from the Swedish Customs authorities, either direct or through the Canadian Embassy. The Customs address is Tullverket, Skeppsbron 38, Stockholm 2.

Other Duties and Taxes

Excise duties are levied on beer, wines, spirits and soft drinks, tobacco,

confectionery, cosmetics, pearls, precious metals, jewellery, vehicles, gramophone records, fuels and electricity. Excise tax on a standard American car, based on weight, is about \$550 and there is in addition an annual registration fee of some \$75. Taxes represent two-thirds of the price of gasoline.

A retail sales tax called Oms is levied on consumer goods including food, on services, and on machinery and building materials. In 1966 it was 10 per cent, but only 5.8 per cent on capital goods with a life of three years or more. It is payable on the final sale by retailers or other sellers to the final consumer, including importers selling direct to industry. It is not a cascade tax applied to every transaction and is not levied on export sales or sales of agricultural raw materials. The main exemptions are industrial and agricultural raw materials, livestock, packaging materials, motor and other fuel, building materials, some ships, aircraft, newspapers and motor vehicles temporarily imported.

Agricultural products—of which in Sweden meat and dairy products make up 80 per cent—are protected

by import levies. These are specific levies per 100 kg. and these apply to fresh meat and dairy products, cheese, eggs, potatoes, grain and cereals, dried peas and beans, starch, preserved meat, sugar and certain sugar products, fats, oilcake and certain other feedingstuffs, and hemp. Adjustments in the levies are announced by the Agricultural Prices Board in its bulletin when world market prices for farm products change by more than 3 per cent over a certain period from the index for Swedish home market prices.

Other levies apply to confectionery and biscuits, bulbs, flowers, fresh vegetables and fruit, and feedingstuffs, and to gasoline, oil, coal and coke.

Other Import Regulations

Imports licences are required for frozen fish fillets and at certain times for beef, butter, cheese, eggs, wheat, sugar, apples and pears.

Foodstuffs must, in accordance with the food law (Livsmedelsstadgan), carry a statement giving the contents, exporter's or importer's name and address, weight or volume when packed, and additives. (A list of those permitted is published annually by Kommerskollegium.)

Electrical appliances require approval by Semko (Franzengatan 5, Stockholm 30, Phone: 54 01 30) and a booklet in English on these approvals is available either direct or through the Embassy.

Machines for industrial or domestic use may require approval of the Board of Industrial Safety (Kungliga Arbetarskyddstyrelsen). Wennerbergsgatan 10, Stockholm, Phone 54 02 60) and/or the Institute for Trade and Industry (Statens Institut för Hantverk och Industri) Sandbacksgatan 10, Stockholm 4, Phone 24 14 00.

For pharmaceuticals, an analysis must first be submitted to the State Pharmaceutical Laboratory (Tomtebodavägen 30, Stockholm 60, Phone 34 97 40), and pharmaceutical specialties must be registered with the Medical Board (Kungliga Medicinalstyrelsen, Wallingatan 2, Stockholm 3, Phone 22 67 00).

TABLE I

SOME SELECTED SWEDISH TARIFFS

	(per cent)
Engineering Products	
Cars and tractors	14
Clocks	6
Electrical machinery	11
Electronics equipment (much)	17
Instruments and non-electric machinery	10
Metals	
Non-ferrous semis	3
Other semis	6
Manufactures	8
Textiles	
Fibres	8
Fabrics	13
Yarn	9
Clothing	15
Clothing (rayon mixtures)	20
Leather	
Hides	7
Footwear	12
Chemicals	
Plastic materials	10
Plastic manufactures	15
Organic chemicals	12
Tires	13
Ceramics and jewellery	9
Glass	15



Your Visit to Sweden

When to Go

DO Swedes work hard? You won't think so if you come during the short Swedish summer or before the Christmas tree has been finally cast out of the window. Swedes have four weeks' official holiday, often taken partly in February or March but chiefly in July, and a dozen public holidays. This totals up to nearly twice as much time off as most Canadians have. Aim therefore at visiting the country between mid-January and mid-February, or between early September and mid-October. Second best choices are April-May and October-November, both periods for Continental exhibitions and other foreign travel. Avoid June 15-August 20, December 12-January 12, and the weeks either side of Easter. Beware of May 1st, Ascension Day (the Thursday 40 days after Easter) and the following Friday, and the first Friday in November (the day before All Saints Day). (The Swedes do not follow the practice elsewhere of celebrating All Saints Day on November 1.)

Sweden has one of the highest standards of living in the world and therefore expenses are likely to work out one-third higher than in Britain or West Germany.

NORMAN PARSONS,
Commercial Assistant, Stockholm.

Hotels

Advance booking is essential. If stranded, phone Hotellcentralen, 24 08 80, 8 a.m. to 11 p.m. Prices are for single room with bath, but not breakfast. Tips are stated on the bill both in hotels and restaurants, and cloakroom attendants are tipped Kr. 1. For cheap accommodation, book a private room for under Kr. 10 a night through Hotellcentralen of the city concerned. If you value quiet above a view, ask for courtyard side. Can. \$1 = about Kr. 4.80; Kr. 50 = just over \$10.

Stockholm

Grand, phone 22 10 20, traditional, faces the Royal Palace, and still Stockholm's top hotel; Kr. 60-85, but lower from November-April inclusive. Request room with view but away from Stallgatan, which is noisy.

Anglais, phone 24 99 00, completed 1966, Kr. 50-65.

Continental, phone 24-40 20, modern, Kr. 50-55.

Strand, phone 22 28 20, traditional, faces water other side of *Grand*, Kr. 50-57. Request room with view, again away from Stallgatan.

Malmen, phone 22 60 80, modern, half-mile from centre, Kr. 34-54.

Castle, phone 67 09 90, small and simple, Kr. 40 (but Kr. 25 without bath).

Gothenburg

Park Avenue, phone 17 65 20, modern, Kr. 55, request upper storeys; nearer Swedish Industries Fair than city centre.

Grand Hotell Haglund, phone 17 15 20, traditional, Kr. 48-55, ask for quiet side.

Malmö

Savoy, phone 70 230, traditional, Kr. 38-60.

St Jörgen, phone 77 300, completed 1964, Kr. 36-45.

Travelling in the Country

Stockholm-Gothenburg: by train \$11.40 single or \$18 return.

by air \$33 single or \$46 return.

Stockholm-Malmö by train \$14 single or \$22 return.

by air \$36 single or \$50 return.

Taxis: The usual short journey costs \$1 and a 15-minute trip to a suburb \$5. The taximeter will show Kr. 3* for the first kilometre then Kr. 1 per km. or Kr. 1.20 for two to three persons. Ten per cent must be added as a tip.

Car hire: \$29 for 24-hour hire of Volvo Amazon covering 124 miles. Remember the \$62 deposit if the car-hire firm is not a member of your credit-card chain. Gasoline costs nearly Kr. 1 per litre, or 6 cents short of one dollar a gallon.

* Money (approx.)

Kr. 1=100 ore=21 cents	1 ore=1/5 cent	Kr. 100=\$21.00
Kr. 4:80=\$1	5 ore=1 cent	Kr. 480=\$100

Contact with Your Office in Canada

Airmail: aerogram costs 85 ore (18 cents). Letter weighing 50 grams (1.76 ounces) costs Kr. 3.80 or 79 cents. Letter weighing 100 grams or 3½ ounce costs Kr. 7 or \$1.45.

Telegrams: 22 words cost Kr. 22 or \$4.55 if sent in the evening for delivery the following morning (night letter), but Kr. 1.76 or 36 cents per word if sent at normal rate for delivery same day. Can be phoned in by ringing 90 320.

Telex facilities available through the Embassy.

Telephone calls of three minutes cost \$9.60, plus \$3.20 for each additional minute if made between 10 p.m. and 10 a.m. (that is between 5 p.m. and 5 a.m. EST) or \$12.90 for three minutes and \$4.30 per additional minute at normal rate. Charges can be reversed by ordering a BA (say bay-ah) call.

Time: Sweden follows Central European Time, which is one hour ahead of Greenwich (but the same in summer because Sweden does not have Summer Time) and five hours ahead of Ottawa. At 10 p.m., when reduced phone rates come into operation, it is still only 5 p.m. in the EST zone.

When Are They Open?

Canadian Embassy: 8:30 a.m.-12:30 p.m., 1:30 p.m.-5 p.m.

Business in general: 9 a.m.-12 noon, 1 p.m.-5 p.m.

Shops: 9 a.m.-6 p.m.; early closing Saturday.

Banks: 9:30 a.m.-3 p.m.; closed Saturdays.

Although most business is carried on between 9 and 12 in the morning and 1 to 4:30 in the afternoon, many people start work soon after 8, if only because there is nowhere to park a car after that hour. Government departments in particular have a 20-minute break mid-morning and mid-afternoon. From early June to mid-September, work often stops an hour earlier. Traffic is worst from 7:30 to 8:45 a.m. and 4:30 to 5:45 p.m.—earlier in summer.

Swedish Hospitality

Your Swedish contacts will do all they can to make you welcome and will be delighted if you show some knowledge of their many pleasant customs.

If you are invited to a Swede's home—probably for dinner at 7:30—send flowers to the hostess in advance. Ring the bell exactly as the clock strikes the time stated on the invitation card. See if there is a seating chart and be prepared to shake hands with each of the guests in turn before going straight into dinner, without cocktails. Don't touch your wineglass before the host proposes a formal 'skol', and even after that, drink to toast your fellow guests rather than for your own enjoyment. After the meal go to your hostess to say 'tack' (thank you). If you did not send flowers in advance send them afterwards, with a note expressing your thanks. Any amicable business agreements apparently confirmed during the course of evening are also worth setting down in writing promptly.

It is worth warning that, if you drive a car in Sweden, even a sip of whisky is enough to put you in gaol for a month, with no alternative of a fine.

Restaurants

12:15 or 12:30 p.m. are good times for a luncheon appointment and 6 to 7:30 p.m. for dinner. Book a table (after 11 a.m.). In your honour, your host may make a lunch last until 3:30 p.m. but will be inwardly pleased if you have an appointment at 2 or sooner. Do not expect a 'smorgasbord' centre table—these are now rare. Count on a minimum of Kr. 39 (\$6) a head for lunch for first course, main course, beer and coffee, and a further Kr. 11 (\$2.50) if schnapps and wine are taken; dinner can

easily cost twice as much. Cheaper places aren't much cheaper. Service is included in the bill. Sweden has no pubs but all the restaurants listed have a bar where \$1.16 plus tips will buy you one scotch and 52 cents a small sherry, both 1.4 fluid ounces. Some bars charge more, others less; a bottle of whisky retails at \$10. There are no night-clubs, though Berns, Bacchi Wapen, Hamburger Börs and Ambassadör have a floor show of sorts.

Stockholm

Operakällaren, phone 24 27 00, undisputed top restaurant, painstakingly restored.

Riche, phone 62 00 11, Edwardian.

Grand, phone 22 10 20, Italianate "winter garden" or, in summer, verandah with harbour views.

Maritim, phone 22 28 20, part of Strand Hotel, modernized.

Cecil, phone 20 00 19, chandeliers and velvet.

Den Gyldene Freden, phone 10 12 59, mediaeval cellar.

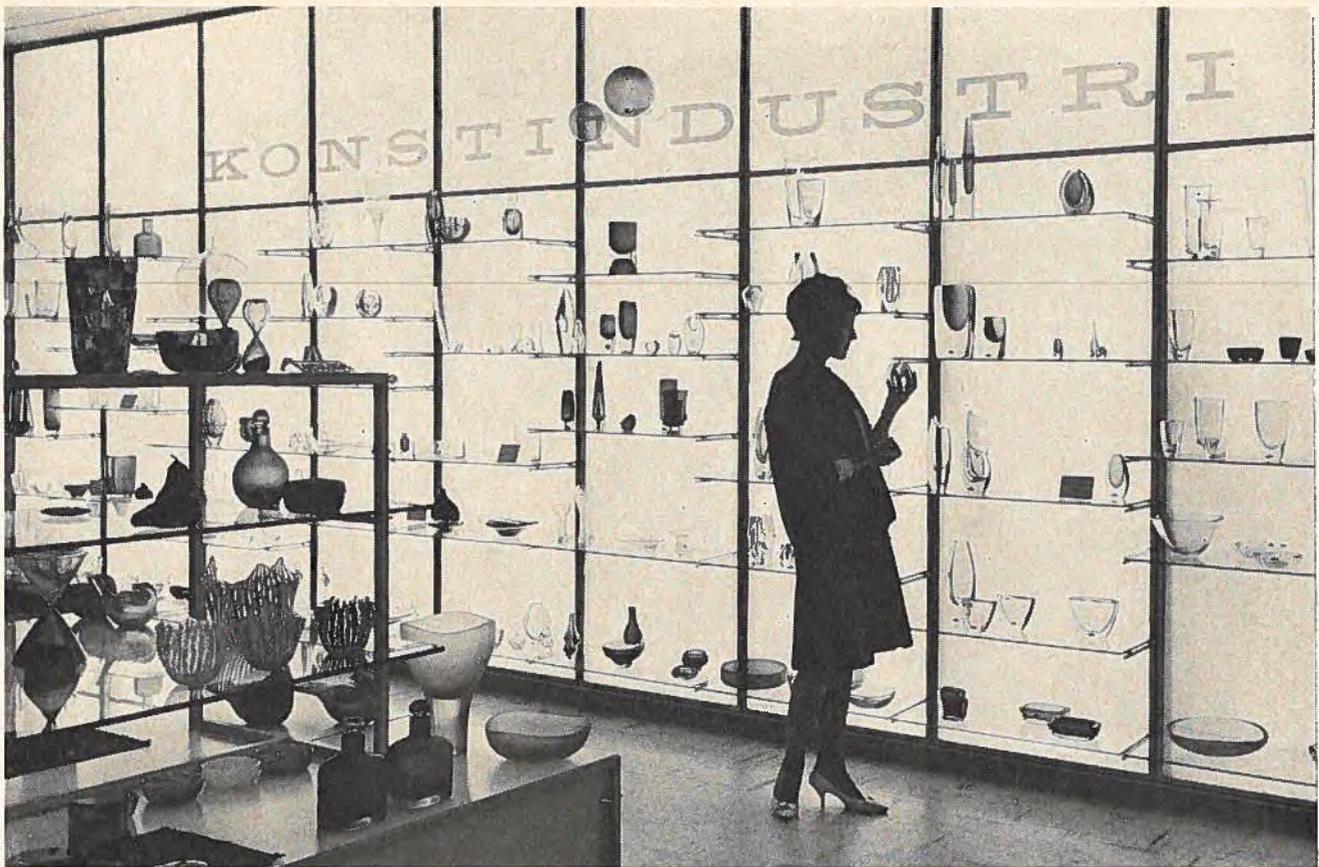
Fratis Källare, phone 10 55 33, another cellar, rather cosier.

Djurgårdsbrunns Wårdshus, phone 67 90 95, inn two miles from town in deer park.

Gothenburg

Henriksberg, phone 12 96 14, overlooking harbour, seafood.

Softus, phone 20 94 50, traditional.



The decor of NK, Farsta, Scandinavia's largest department store, is typically Swedish although it is based on a U.S. layout design.

What to Take Home

Choosing a gift to take home calls for time and thought—and how much of these are you likely to have left after a successful business visit? In general, the department stores are the easiest hunting grounds, and their information stands may be familiar with your problem.

Over \$30

Silverware, modern (Bolin)
Coat of fur, suède or sheepskin
Camera
Bohus cardigan, with matching scarf and hat

About \$3

Hand-embroidered linen, place mats
Handicrafts ('slojd'), especially for Christmas
Gramophone record about Sweden
Reprint from National Gallery (near Grand Hotel)
Cookbook
Salad servers—stainless steel with nylon handles, or of birchwood
Foot-long fireplace matches
Ashtray of hammered copper

Six-branched candelabrum for dinner table
Tie
Glass: small vases, footless cocktail glasses

In between

Stainless steel cutlery and flatware
Cap of sealskin or leather
Lapp slippers
Ceramic wall-plaque or animal
Cufflinks with Swedish crowns
Angel chimes in brass (when candles are lit, angels ring bells).
Art glass—lighting fixtures, vases
Copper kettle (called a coffee pot)

For children

Wrist compass
Aprons and pinafores in cotton
Dala horse
Skiing sweater
Wooden toys, such as trains



Marketing Data Sheet

SWEDEN

Area

175,000 square miles.

Climate

Mean temperatures in Stockholm range from 64°F (summer) to 27°F (winter). Mean humidity ranges from 72 per cent (summer) to 85 per cent (winter). Centigrade scale is used.

Population

Total population is 7.8 million, divided equally between males and females.

In 1960 census:

35 and over	3.9 million
25 to 34	900,000
15 to 24	1.1 million

Principal Business Language

Swedish

Households

About 2.6 million family groups; 2.7 million residential dwellings, of which three-quarters are apartments.

Income

National \$18,780 million; per capita \$2,430; average hourly wage \$1.52.

Bank Accounts

6.69 million.

Retail Sales

\$6,030 million total, \$777 per capita.

Motor Vehicles

1.67 million passenger vehicles, 130,000 commercial vehicles, and 88,000 motorcycles.

Telephones

There are 440 telephones per thousand persons.

Radio and Television

There are 388 radio and 239 television licences per thousand persons. T.V. (625 lines) and broadcasting facilities are managed by a board whose chairman and half of whose members are appointed by the State. Two-fifths of share capital is held by the press, two-fifths by trade unions and other organizations, and one-fifth by industry.

Water

Water is safe to drink and generally soft. Pressure in Stockholm varies from 30 to 50 psi.

Electric Power

50 cycle a.c. three-phase 380/220 volts, but outside the large population centres varies between 220-240 volts. The distribution system has a ground wire, and a ground wire is required for certain appliances. Major industrial consumers receive power at 10kv. and 300kv. Power at 600-700v. d.c. is used for the subway. Rates are low; domestic power averages three cents per kwh. and industrial rates, which vary with con-

sumption, may go below 1 cent per kwh. National capacity is 95,000 million kwh., 94 per cent of which is hydroelectric. Production in 1965 was 49,000 million kwh., 70 per cent of which was used by industry and transport.

Coal

Little local production.

Gas

Limited use of town gas. Conversion from coal-based production is under way. LP gas, however, widely used in summer cottages.

Petroleum Products

Refinery capacity 34 million barrels a year to be raised to 84 million barrels a year by 1970. Consumption of petroleum products is 127 million barrels a year for heating and power, 45 million barrels a year for vehicles and 10 million barrels a year for lubrication and solvents. Regular gasoline is 94 octane and premium is 100 octane.

Weights and Measures

Metric.

Screw Thread

All in use, but metric most common.

Standards

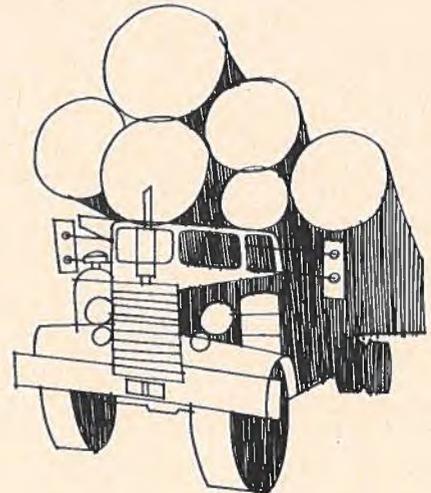
Approval is mandatory for electric, gas and other fuel appliances. Approval organizations are:

Electrical Semko, Franzéngatan 30, Stockholm K

Gas Svenska Gasverksföreningen, Torsgatan 24, Stockholm Va.

Oil Statens Provningsanstalt, Drottning Kristinas väg 31, Stockholm Ö

It is often wise to obtain at the design stage the approval of the Workers Protection Board, Kgl Arbetarskyddsstyrelsen, Wennerbergsgatan 10, Stockholm 12. Testing of non-electrical equipment is carried out for a fee by Statens Institut för Handverk och Industri, Sandbacksgatan 10, Stockholm 4.





South Africa Adopts New Currency

Canadians exporting to South Africa will earn extra goodwill by quoting prices in the country's new currency. They will also be interested in how the monetary system was actually changed over.

D. H. LEAVITT, *Assistant Trade Commissioner, Cape Town.*

CANADIAN BUSINESSMEN exporting to South Africa should note that it has now joined the 145 other countries which have a decimal coinage system and has abandoned the pound sterling as its currency.

The changeover came about as a result of the introduction in 1961 of the decimal monetary system and because of the rise in the price of the traditional coinage metal, silver. This task involved the minting and issuing

of 336,500,000 new coins and the withdrawal to date of 155 million old ones. A complete new series of banknotes was also introduced.

South Africa's new series consists of the following coins: one Rand, 50 cents, 20 cents, 10 cents, five cents, two cents, and one cent. Originally, only two million of the one Rand denomination were struck. However, these coins have become collectors' pieces and the South African Mint in

Pretoria has struck a further two million, using an alloy of 80 per cent silver and 20 per cent copper.

Nickel from Canada

The 50 cent, 20 cent, 10 cent, and five cent coins are all struck from pure nickel and the two cent and one cent from bronze. The nickel blanks were imported because the mint was not equipped at that time to smelt the metal and also because of the short period allowed to produce the coins. The nickel blanks required for the five cent and the 50 cent pieces were

imported from Canada and the others from Switzerland and Germany. The South African Mint is planning, however, to convert its furnaces and other equipment to produce its own nickel blanks and use its plentiful metal resources.

New Size Poses Problems

All the coins in the old series were approximately the same size as their British counterparts and were rather bulky and heavy by modern standards. From studies of sizes and weights of old and new coin series being minted overseas, it became evident that the heaviest coin acceptable as practical currency was the half crown. Other countries which had heavier coins than this were few and the coins were seldom found in circulation because they were regarded as collectors' pieces. The new coinage series weighs only one-third as much as the old.

It was decided that to avoid confusion between coins of different denominations in a series struck from the same metal, there should be an average differentiation of 17 per cent in the surface area of the new South African nickel coins. This meant abandoning the old value-to-weight relationship by which banks could accept mixed bags of coins and check their value merely by weighing them.

The new size posed a problem because the face value of the new coins in some cases was twice that of the equivalent-size coins in the old series. For this reason it was decided to introduce the new coinage in carefully planned stages, so that in practice no two such coins would be in circulation in large quantities at the same time. As each new coin was placed in circulation, the public was urged to use the old ones of that denomination rather than any of the new ones in their possession so that they would come back to the South African Mint via the banks.

Coins Result of Much Study

Pure nickel was chosen as the metal for the coins of higher denominations after much study of the best coinage metal to use. It was concluded that the metal should be inexpensive, available within the country, yield attractive and long-lasting coins, be difficult to counterfeit, and constitute a good investment. It was felt

that a coin should not cost more than half its face value to manufacture in order to allow a safe margin for rises in metal prices. Silver was ruled out because of its cost. Chrome steel was rejected because, apart from the fact that it was not manufactured in South Africa, it had no investment value, was more expensive than nickel and more difficult to process. Pure nickel was chosen in preference to cupro-nickel for although it is both slightly more expensive and difficult to mint, it produces a more attractive coin, is regarded as a better long-term investment, and is not easy to counterfeit.

Design to Be Original

In considering the designs for the new coins it was decided to make them unique and typical by using a profile of the founder of South Africa, Jan Van Riebeeck. He replaced the British monarchs which appeared on previous coins. The figure is set on the left of the coin and the only words on it are "South Africa" and/or the Afrikaans translation "Suid Afrika" and the year it was minted. The reverse design was inspired by the country's wealth of unique flora and fauna. The exception is the one cent coin which bears two birds on a branch and which was inspired by the Bible verse "Are not two sparrows sold for a farthing . . .". Coins of each denomination are minted in equal quantities with Afrikaans and English lettering, in accordance with the Republic's policy of bilingualism. South Africa is probably unique in having a dual coinage series.

South Africa's experience in converting from sterling to the decimal system was closely studied by representatives of the Australian Treasury and by that country's banks in preparation for the similar changeover there this year. Australia presumably benefited from the Republic's experience, particularly in procedures for assessing compensation to be paid to owners of accounting and other office equipment made obsolete by the switch to the decimal system.

Quote in Rands

The word "Rand", selected by the South African Government as its unit of account, is derived from the Afrikaans word "Witwatersrand", the ridges of white waters upon which the

Transvaal and Johannesburg gold-fields are located. All South Africans know this region as the "Rand", pronounced Rahnd. The Witwatersrand is associated with gold throughout the world, so that the choice of this designation for a monetary unit is appropriate. The abbreviation for it is a simple capital R. There is no need to tack on the letters S.A. to denote South Africa.

Canadians exporting to this market should find the changeover will simplify pricing of articles in South African currency. As a guide, one Rand is equal to approximately \$1.50 Canadian. (In making calculations, however, check the prevailing bank rate.) South Africans are justly proud of their new coinage and although they understand quotations given in sterling, the exporter gains an extra measure of goodwill by quoting in Rands.



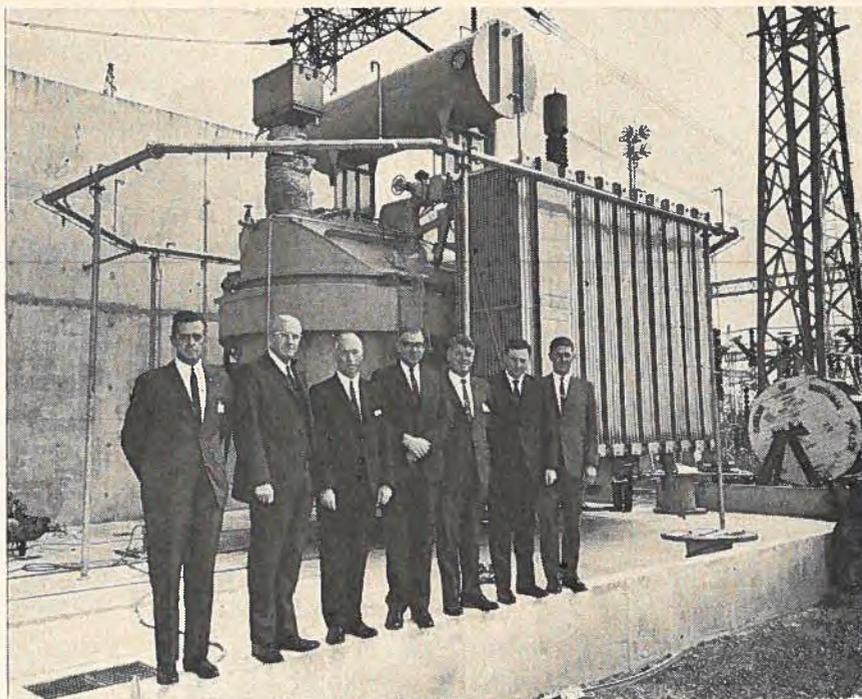
Portugal Gets IBRD Loans

TWO electric power projects in Portugal will get World Bank loans totalling \$30 million to serve a projected growth of 10.7 per cent per year in Portuguese power requirements.

At Carrapateiro, on the Douro River near Porto in northern Portugal, a \$20 million loan to Hidro-Electrica do Douro will go towards the construction of a \$47 million, 180,000-kilowatt hydroelectric project. Construction comprises a gravity dam, navigation locks, and a powerhouse installation of three 60,000-kilowatt units. Although construction has already started, equipment for the project is being purchased on the basis of international competitive bidding.

Empresa Termoelectrica Portuguesa is aiming at an ultimate capacity of 500,000 kilowatts at the Carregado thermal plant near Lisbon. A \$10 million World Bank loan will contribute to the \$15.7 million cost of the second 125,000-kilowatt unit. This is now being built as part of a program to supplement and balance the predominantly hydroelectric system.

In Australia, members of the Power Generation Equipment Mission visited the Sydney North High Voltage Transmission Centre at Dural, New South Wales, where a Canadian General Electric 150 MVA Transformer 330 kv. has been installed. They were accompanied by J. A. Stiles, Commercial Counsellor for Canada in Sydney, and K. W. Sander and J. Webb, of the Electricity Commission of N.S.W. Left to right, C. G. F. Plaxton, I. F. McRae, J. A. Stiles, K. W. Sander, K. J. Gray, J. Webb, N. L. Williams.



Power Generation Equipment Mission Visits Australia and New Zealand

THE DEMAND for electric power in Australia and New Zealand during the past five years has increased at an average rate of approximately 10 per cent per year. This trend is expected to continue to satisfy rapidly increasing domestic consumption, a growing secondary industry, and a surge in resource development, highlighted by important mineral and natural gas discoveries.

Predicted higher costs of fossil fuels and the lack of economically exploitable hydraulic resources near load growth centres has forced electricity commissions to consider nuclear energy as an alternative source of power. Power authorities and atomic energy officials in Australia and New Zealand are keeping up-to-date with overseas developments in the production of power from nuclear reactors. Neither country has the technical knowledge or the experience to develop nuclear power technology without extensive assistance from overseas.

Following the recommendations made by one of its electrical engineers who travelled to Australia and New Zealand in February and March 1966, the Department of Trade and Commerce sponsored a Power Generation Equipment Mission to these two countries from August 17 to September 9, 1966, with a view to focusing attention on Canada's leadership in electric power generation and extra-high-voltage trans-

mission and promoting the sale of related Canadian capital equipment and engineering services. The mission examined areas where Canada can be competitive in meeting the requirements for hydro, conventional thermal and nuclear power generating equipment and related engineering services. A report of its findings and recommendations will be available to the Canadian industry shortly.

Members of the Mission were: Ian F. McRae, Commissioner for the Hydro Electric Power Commission of Ontario; Walter S. Beck, Vice-President and General Manager of Canadian Westinghouse International Co. Ltd; F. W. Cranston, Vice-President and General Sales Manager of Babcock-Wilcox and Goldie-McCulloch Ltd; Robert P. Vaughan, Manager, Sales and Services, Dominion Engineering Works Ltd; Norman L. Williams, Manager, Application Engineering, Atomic Power Department, Canadian General Electric Co. Ltd; Alan Wyatt, Proposals Engineer, Power Projects Division, Atomic Energy of Canada Ltd; Charles G. F. Plaxton, electrical engineer, Department of Trade and Commerce, Secretary to the Mission.

In Australia, members of the mission visited the Vales Point and Munmorah power stations, the Carlingford system control centre and the Australian Atomic Energy Commission's Lucas

Heights research establishment in New South Wales; the Richmond Central Control Centre at Melbourne; the Hazelwood and Yallourn power stations and mining operations in the Latrobe Valley, Victoria; the Lower Derwent hydro scheme in Tasmania, and the Torrens Island power station in South Australia.

In addition to meetings with local manufacturers, consultants and agents, the group held technical discussions with officials and engineers of major State Electricity Commissions and the Australian Atomic Energy Commission. Mission members also delivered technical papers in Sydney on Canadian achievements in the power generation field to engineers from Australian electricity authorities.

The program in New Zealand included a tour of the Haywards Substation. This project is the North Island terminal of the 500 kv. DC link which provides interconnection of hydroelectric power stations in the South Island and the principal loads in and around the Wellington area. Its size and importance have attracted world-wide interest.

The Mission met with government and industry officials in Wellington and members delivered technical papers at a special session with the New Zealand Electricity Department and the Ministry of Works. •

Trade Missions Coming and Going



An eleven-member West German trade mission representing the Ministry of Defence and the air and avionics industries visited Canada for two weeks in October. The mission, sponsored by the Department of Trade and Commerce, talked with Canadian industry and government officials and visited plants such as Bristol Aerospace Limited, Winnipeg, (above). At far left is Herr Ernst Bolck, Director of Military Technology and Procurement (BWB) of the West German Government, third from left is Prof. Dr. Ing. Willy Messerschmitt, Director of Messerschmitt A.C., photographed with officers of Bristol Aerospace.

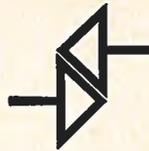


In New Zealand, members of the Canadian Power Generation Equipment Mission were taken on a tour of the Haywards Terminal Substation by R. J. Fyfe, Assistant Chief Engineer (Development) for the New Zealand Electricity Department.

Last summer, a high-level two-man trade mission representing the Malaysian Government electricity authority arrived in Canada for a six-day tour of Canadian thermal and hydroelectric installations. Here, Raja Zainal Bin Raja Sulaiman, General Manager, and L. H. Tan, Chief Accountant, of the National Electricity Board of Malaysia, are seen at the Niagara Falls installation with C. G. F. Plaxton (left), Department of Trade and Commerce.



trade lines



A Chilean-French consortium of engineers is to undertake a joint study of the possibility of constructing a public transport system for Santiago to relieve congestion. The investigations will soon begin and every aspect of requirements, such as density of population, number of motor vehicles, railways, industrial and residential districts, etc., will be taken into account. The most suitable method of transportation (surface, elevated or underground railway) will be decided on. The task will be completed within two or three years, it is hoped—Santiago.

The Greek building materials firm, Hellenit, has announced the establishment of a \$2 million asbestos cement plant. It will be located in Salonica, Northern Greece. Eventually the new plant will have a capacity equal to that of the company's present factory on the island of Euboea—Athens.

The German textile industry reports that sales of bed linen rose 9 per cent, children's wear 7 per cent, and carpeting and upholstery fabrics 2 per cent in July 1966 over July 1965. All other branches of the industry reported sales down an average of 2 per cent, except men's and boys' wear, which dropped 5 to 6 per cent—Duesseldorf.

The United States is encouraging the production of natural rubber in Guatemala through the AID program. Some 80,000 acres will be planted initially as an incentive for other growers to consider similar projects. This preliminary development should produce 44,000 metric tons of crude rubber a year, valued at U.S.\$24 million, and the objective is to make the country self-sufficient in this product by 1969. Already there are 25,000 acres in production, mainly along the Pacific coast. Further plantings are scheduled for the north-eastern region—Guatemala City.

A group of retailers in Stockholm's pedestrian precincts provided umbrellas last autumn for shoppers so they could stay longer in the shops in their area. Of 25 umbrellas provided at the entrance to one area all were stolen, though six were returned when the snow came down. However, the retailers are repeating their experiment this year because stolen umbrellas, with the retailers' names clearly displayed on them, provide good publicity all over the city. By contrast, individ-

ual shops lending umbrellas to customers so that they could get home completed the whole season without losing an umbrella—Stockholm.

A new South African ceramics company, Vaal Armitage, on the border of East London will launch a joint R1.25 million venture of Vaal Potteries and a British company, Armitage Ware. Although the latter has overseas subsidiaries, this is the first time it has participated in a joint venture in another country. The plant is expected to be completed in 1967 and will make ceramic sanitaryware for local use and for export—Cape Town.

Sales by British hardware stores reached \$805 million in 1965, according to a recent report, 4 per cent over 1964. This was a marked improvement over the growth rate a year earlier, and figures for the first quarter of 1966 indicate that the trade is continuing to make up lost ground in retail sales—London.

South Africa's biggest chocolate and sweet manufacturer, Wilson-Rowntree, has bought a 200,000 square foot building adjoining its East London, Cape Province, plant as part of a R2 million expansion program. The new property, which will be linked with the main nine-acre factory by an underground tunnel, will employ an additional 500 workers—Cape Town.

One of the longest bridges in Chile and in South America, 2,300 meters in length over the Bio-Bio River, will be opened to public use in 1968. It will link Concepción with the coal and industrial centres of Lota, Schwager and Coronel in the south. This bridge will replace the present one seriously damaged in the earthquake of 1960 and repaired again last year after heavy storms—Santiago.

The International Agricultural and Food Exhibition of Tel Aviv, Agrexpo 67, will take place from May 23 to June 10, 1967. It is being organized in co-operation with the Israeli Ministry of Agriculture and the Ministry of Commerce and Industry and will be of interest to agricultural organizations, producers and export associations. The participants will be grouped on a commodity basis, with each branch allotted a special pavilion or exhibiting area. Retail sales to the public

of foodstuffs, wines, tobacco, etc., will be permitted. Anyone requiring information on this Exhibition should contact Mr. E. Almagor, Director General, "Yerid Hamizrakh" Exhibitions Company Ltd., Exhibition Gardens, Tel Aviv, P.O. Box 21075—Tel Aviv.

A West German firm in Bremen has been awarded a contract for automatic stabilizers. The firm, Entwicklungsring Nord (ERNO), will put out the stabilizers for a series of communications satellites which are to be launched in 1968. ERNO has played an important part in the development and construction of the third stage of the Europa-Rocket. A U.S. firm, TRW-Systems, will construct the three prototypes and six satellite units. Their contract includes an option on 18 more satellites which will each have a capacity of 1,200 two-way communication or four television channels—Hamburg.

Work has now begun on Spain's largest thermal power generating plant. It will have an initial production of over seven billion kilowatt hours a year. The first of the three turbo-alternator groups of 280,000 kilowatt capacity will be in operation by mid-1968, and the two remaining groups of 500,000 kw. each will be in service in 1970—Madrid.

Sixteen of Spain's leading paper manufacturers have formed a new company, in collaboration with a large international group, to put up a factory in Teruel, Eastern Spain. It will have an annual production of 60,000 tons of bleached sulphate chemical pulp and will provide 800 new jobs—Madrid.

British linen output during the second quarter of 1966 was 12 per cent above the same period last year. Production of sailcloth and canvas rose 9 per cent, household linens 31 per cent, furnishing fabrics 16 per cent, and "other linen and union fabrics" 12 per cent—London.

The Colombian subsidiary of Texas Petroleum Company "Texaco" has announced plans for the building of a new refinery there. It will be located on the Pacific Coast near the port of Tumaco. Cost is estimated at U.S.\$40 million and the refinery will have an initial capacity of 20,000 barrels a day—Bogota.

The 1967 Hannover Fair will provide an exhibition hall specifically for office equipment manufacturers. These exhibitors, who have always occupied the largest hall, will be able to display their products in a special temporary building being erected. This building, however, will be replaced by a multi-storey one for the 1970

Fair. The new hall will contain exhibits of general office equipment, office furniture, etc. This expansion has received impetus from the increasing automation of office and administrative work. It will also contain special structures for housing data-processing equipment—Hamburg.

A new Italian factory to manufacture relays, circuit breakers, thermostats and precision parts for the electronic and electro-mechanical industries has been built near Naples by Texas Instruments Italia S.p.A. The factory covers about 20 acres and employs some 500 people—Rome.

Werkspoor-Amsterdam N.V., Amsterdam, has built a space simulation chamber to test components of spacecraft and rockets under the same conditions as are met in space. The chamber simulates the low pressure (one thousand millionth of an atmosphere) and the great cold (-321°F) found 120 miles from the earth—The Hague.

Yugoslavia's trade with Western countries increased to \$715 million in the first half of 1966, 25 per cent above the same period of 1965. Because exports expanded more than imports, the trade deficit vis-a-vis Western countries fell by nearly \$10 million. Western countries took 50 per cent of Yugoslavia's total exports and supplied 56 per cent of its total imports—Vienna.

Ireland turned out nearly a million more broiler birds in 1965 than in the previous year. In 1964, 6.5 million were produced and in 1965 some 7.5 million, a rise of about 15 per cent. In the past three years production has increased 250 per cent; over the past seven years, the output has risen by seven times—Dublin.

Wine production in West Germany in 1966 is forecast at 4.5 million hectolitres (5 million in 1965), according to the latest report of the German Winegrowers' Association. The Association expects the quality of the vintage to be much better than last year's—Bad Godesberg.

Pakistan, Iran and Reynolds Aluminium of the U.S. have agreed to build an aluminum refinery at Ahwaz in southern Iran. This is the first joint venture between Iran and Pakistan under the Regional Co-operation for Development Program. The plant is expected to go into production within the next thirty months. Based on imported alumina, the plant is expected to cost approximately U.S.\$45.5 million and Pakistan's contribution will be of one million dollars. It will produce ingots, rolling slabs and extrusion billets. With

an annual capacity of 45,000 metric tons, it is expected that 20,000 will be produced during its first phase. Pakistan proposes to purchase its requirements of aluminum, some 10,000 metric tons a year for a period of five years, from the newly established plant—Karachi.

South Africa's wool exports amounted to R125.1 million during the 1965-66 season, an increase of \$17.7 million over the 1964-65 season, according to the Wool Commission. It is due largely to higher wool prices. Italy was the biggest buyer of grease wool, France was second, and Britain third. The latter was the top buyer during the previous season—Cape Town.

Three hundred and twenty-six new industries were started in Venezuela in 1965, according to the Ministry of Development. They employ over 5,000 workers and involve an investment of Bs.400 million. Over 200 new industrial projects were registered in the same period—Caracas.

Iranian tea production this year is expected to rise from 16,000 to 17,000 tons, a sharp increase over 8,000 tons only a few years ago. The state-owned Tea Organization plans to buy 12,000 tons. Iran also imports large quantities of tea from abroad, an estimated 7,000 tons in 1966—Tehran.

The capacity of the materials-testing high flux reactor at Petten, Netherlands, has been raised from 20 to 30 mw. (30,000 kw.). By the beginning of July 1966 the reactor, which forms part of the research centre of Euratom, had operated for about 850 days at full capacity. It is used for irradiation experiments to determine the behaviour of materials destined for use in the construction of future nuclear reactors—The Hague.

Hungarian enterprises are looking abroad for purchases of foreign patent licences. The telecommunication and electronic and medical instruments fields seem to be their main interests. Investment in the telecommunication industry under the present Five Year Plan will exceed that of the previous period by 60 per cent. The Hungarians hope that, through licensing arrangements, their electronic instruments and medical appliances will match the standards of those now available on world markets—Vienna.

The Chilean Government Development Corporation (CORFO) has approved three industrial projects which planners hope will save U.S.\$7 million in foreign exchange by manufacturing articles as substitutes for imports and later for export. The projects include

manufacturing tanks in Maipu, a factory in Arica making spare parts for cars, and the expansion and installation of new production lines for electrical appliances currently manufactured by a Santiago firm—Santiago.

Fiji imported less and exported less during the first six months of this year compared with the same period of last year. Imports were valued at approximately Can.\$37,035,000, down about \$5.7 million. Exports were valued at \$15,276,000—off about \$1.4 million. The adverse trade balance was \$21,750,000 at the end of June this year compared with \$26,010,000 at the end of June last year. For the 1965 fiscal year Canada's imports from Fiji amounted to \$4.8 million and exports to Fiji to \$1.1 million—Wellington.

British manufacturers' sales of footwear during May, provisionally estimated at 16,068 thousand pairs, were 2 per cent more than for May 1965. Sales of footwear other than slippers, house shoes, ballet shoes and sports boots and shoes with uppers wholly or mainly of leather, were up 3 per cent over the same month last year. Sales of slippers remained unchanged—London.

West Germany is exporting considerably more—largely industrial products—to North America this year than last. Its imports from the United States and Canada also are up. Figures below are provisional for the first half of 1966, with figures for the same period of last year in parentheses. Trade with the U.S.: imports \$1,129 million (\$1,115 million)—a 12.7 per cent rise; exports \$802 million (\$659.6 million)—an increase of 21.6 per cent. Trade with Canada: imports \$101.4 million (\$97 million)—a 4.6 per cent increase; exports \$101.6 million (\$84.9 million)—a rise of 19.8 per cent—Bad Godesberg.



Foreign Tariffs and Trade Regulations

Britain

TEMPORARY CHARGE ON IMPORTS WITHDRAWN—The British Government has announced that the Temporary Charge on Imports, which was originally imposed at the rate of 15 per cent on October 27, 1964, and reduced to 10 per cent on April 27, 1965, is to be withdrawn at midnight on November 30, 1966.

Trade Commissioners on Tour

Temporary Duty in Ottawa

The following officers will be on temporary duty in Ottawa. Anyone who wishes to see them should contact the Trade Commissioner Service, phone: 992-9930.

R. D. Lee, Assistant Commercial Secretary in Karachi, Pakistan, December 20-January 3. Mr. Lee will be posted to Philadelphia as Vice Consul and Assistant Trade Commissioner.

J. H. Nelson, Commercial Secretary in Guatemala City, November 28-December 9. Mr. Nelson will be posted to Liverpool, England, as Trade Commissioner.

In Territory

Chile—Z. W. Burianyak, Assistant Commercial Secretary in Santiago, will visit Concepcion, Nacimiento, Temuco, Osorno, Puerto Montt and Valdivia December 5-13.

Communist China—R. G. Woolham and J. M. Fraser, Trade Commissioners in Hong Kong, will visit Peking and other cities December 9-22.

Costa Rica—R. D. Sirrs, Commercial Secretary in Guatemala City, will visit San Jose towards the end of November.

Cyprus—S. G. Harris, Commercial Secretary in Tel Aviv, Israel, will visit Cyprus November 28-December 2.

Honduras—R. D. Sirrs, Commercial Secretary in Guatemala City, will visit Tegucigalpa towards the end of November.

India—R. R. Parlour, Commercial Counsellor in New Delhi, will visit Calcutta November 15-18, and Bombay December 12 to 15.

Indo-Chinese States—A. Blum, Assistant Trade Commissioner in Hong Kong, will visit South Vietnam, Cambodia, and Laos November 18 to December 2.

Italy—J. H. Stone, Commercial Counsellor in Rome, will visit Florence December 1-6.

At the Kuala Lumpur International Airport, Philip Stuchen, Commercial Counsellor for Malaysia (back to camera), has a few parting words with members of a milling mission which left for Canada on September 5 to tour the country as guests of the Canadian Wheat Board. He speaks to Robert Ang (left), director of Khong Guan Flour Milling Ltd., Singapore. Looking on (from left to right) are Cheng Chih Cheng, Director of Prima Flour Mills Ltd., Singapore; I. K. Cheah, Manager, Federal Flour Mills Ltd., Port Swettenham, Malaysia, and T. S. Ho, Managing Director, Malayan Flour Mills Ltd., Lumut, Malaysia. The four executives toured Canada for over three weeks viewing various wheat harvesting, storage and marketing procedures. Although shipments of Canadian flour to Malaysia were cut off as of April 1, 1966, Wheat Board officials hope that Canadian wheat will replace the former exports of flour.

Malta—C. D. Miller, Assistant Commercial Secretary in Rome, Italy, will visit Malta November 21-26.

Middle East—I. V. Macdonald, Commercial Counsellor in Beirut, Lebanon, will visit Kuwait, Bahrain, Doha in Qatar, Dubai, Abu Dhabi, Muscat, Oman, Aden, and Sana'a in Yemen November 7-December 5.

New Zealand—R. H. Gayner, Commercial Secretary in Wellington, will visit Auckland November 21-25, and other North Island centres November 28 to December 2.

Nicaragua—R. D. Sirrs, Commercial Secretary in Guatemala City, will visit Managua towards the end of November.

Norway—D. B. Browne, Assistant Commercial Secretary in Oslo, will visit Trondheim November 21.

Saudi Arabia—R. H. M. Cathcart, Assistant Commercial Secretary in Beirut, Lebanon, will visit Jeddah, Riyadh, Al-Qobar, Dhahran, and Dammam December 5-15.

Taiwan—E. L. Bobinski, Consul and Assistant Trade Commissioner in Manila, Philippines, will visit Taipei December 5-10.

Thailand—J. H. Bailey, Commercial Counsellor in Singapore, will visit Thailand November 14-20.

P. Stuchen, Commercial Counsellor in Kuala Lumpur, Malaysia, will attend the First Asian International Trade Fair in Bangkok November 26-December 4.

United States—V. G. Lotto, Consul and Assistant Trade Commissioner in Detroit, Michigan, will visit Jackson, Lansing, Flint, Saginaw, Bay City and Port Huron December 5-9.

Businessmen who would like these officers to undertake assignments for them should write to them at their posts as soon as possible.



Foreign Exchange Rates

These nominal quotations may help exporters in checking prices, but they should consult their banks before making any firm commitments. When more than one rate is shown, the one to be used depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the Office of Trade Relations, Department of Trade and Commerce, Ottawa.

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

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

For conversion of column one to the U.S. dollar equivalent, multiply by .92. To convert column two, divide by .92.

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units at Nov. 1		Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units at Nov. 1
Algeria Dinar	.2187	4.58	Dominican Republic Peso	1.080	.92
Argentina Peso (free)	.0050	200.00	Ecuador Sucre (official) (free)	.0600 .0546	16.67 18.35
Australia Dollar	1.21	.8333	El Salvador Colon	.4321	2.31
Austria Schilling	.0418	23.98	Fiji Pound	2.716	.37
Bahamas Dollar	1.055	.9523	Finland Markka	.3376	2.96
Belgium and Luxembourg Franc	.0216	46.25	France, Monaco, etc.⁴ Franc	.2187	4.58
Bermuda Pound	3.015	.33	Franco-African Republics⁵ Franc	.0044	227.79
Bolivia Peso	.0912	11.01	French Pacific⁶ Franc	.0120	82.64
Brazil Cruzeiro (official free)	.0005	2,053.39	Germany D Mark	.2716	3.68
Britain Pound	3.015	.33	Ghana Cedi	1.256	.80
British Honduras Dollar	.7538	1.33	Greece Drachma	.0360	27.86
Burma Kyat	.2269	4.41	Guatemala Quetzal	1.080	.92
Ceylon Rupee	.2261	4.41	Guyana Dollar	.6282	1.59
Chile Escudo (bank rate) (free)	.2545 .2227	3.93 4.52	Haiti Gourde	.2161	4.65
Colombia¹ Peso (intermediate)	.080	12.50	Honduras Lempira	.5402	1.85
Congo, Republic of² Franc	.0072	139.50	Hong Kong Dollar	.1885	5.33
Costa Rica Colon	.1631	6.15	Hungary Forint (official)	.0921	10.86
Cuba³ Peso	Iceland² Krona (official)	.0251	40.00
Czechoslovakia Koruna	.1500	6.67	India Rupee	.1431	7.02
Denmark Krone	.1565	6.41	Indonesia⁷ Rupiah

Country and Currency	Value of		Country and Currency	Value of	
	Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units		Foreign currency unit in Canadian dollars	Canadian dollar in foreign currency units
	at Nov. 1			at Nov. 1	
Iran			Peru		
Rial	.0143	70.02	Sol (free)	.0402	24.94
Iraq			Philippines		
Dinar	3.025	.33	Peso (free)	.2768	4.41
Ireland			Poland		
Pound	3.012	.33	Zloty (fixed basic rate)	.2701	3.72
Israel			Portugal & Colonies⁸		
Pound	.3601	2.78	Escudo	.0376	26.66
Italy			Sierra Leone		
Lira	.0017	581.86	Leone	1.508	.66
Japan			South Africa		
Yen	.0030	335.37	Rand	1.508	.66
Lebanon			Spain & Dependencies		
Pound (free)	.3475	2.88	Peseta	.0180	55.55
Malaysia			Sweden		
Dollar	.3529	2.83	Krona	.2088	4.79
Mexico			Switzerland		
Peso	.0864	11.61	Franc	.2493	4.01
Morocco			Syria		
Dirham	.2158	4.64	Pound (free)	.2828	3.54
Netherlands			Thailand²		
Florin	.2985	3.35	Baht (free)	.0522	19.25
Netherlands Antilles			Tunisia		
Florin	.5728	1.75	Dinar	2.069	.49
New Zealand			Turkey		
Pound	3.004	.33	Lira	.1200	8.35
Nicaragua			United Arab Republic		
Cordoba	.1543	6.50	Pound (official)	2.485	.44
Nigeria			United States		
Pound	3.012	.33	Dollar	1.080	.92
Norway			Uruguay		
Krone	.1512	6.64	Peso (free)	.0158	63.29
Pakistan			Venezuela		
Rupee	.2261	4.43	Bolivar (official free)	.2407	4.16
Panama			West Indies		
Balboa	1.080	.92	Dollar ⁹	.6282	1.59
Paraguay			Pound ¹⁰	3.015	.33
Guarani (free)	.0086	116.27	Yugoslavia		
			Dinar (official)	.0864	11.63

1. The fixed rate is no longer in effect, as of August 22, 1966.
2. Additional rates are in effect.
3. There is no trading in Cuban pesos in U.S. or Canadian banks at present.
4. Franc is also used in French Guiana, Guadeloupe and Martinique.
5. Chad, Central African Republic, Congo, Dahomey, Gabon, Ivory Coast, Mali, Islamic Republic of Mauritania, Niger, Senegal, Upper Volta, Cameroons, Togoland, and Malagasy. Also Reunion, Comoro Islands, St. Pierre and Miquelon.
6. New Caledonia, New Hebrides, French Polynesia.
7. As Indonesia is no longer a member of the IMF, a realistic rate is not available.
8. Approximately same rate for Portuguese territories in Africa.
9. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
10. Jamaica.

Marketing Data Sheet

TURKEY

Area

296,503 square miles.

Climate

Varies widely between east and west. Temperature ranges sometimes exceed 100°F. (-40°F. to 110°F.). Rainfall along the eastern Black Sea coast is over 100 inches a year, but elsewhere very much less.

Population

The estimated 1965 figures are based on the 1960 census.

35 and over	8,160,000
25 to 34	5,020,000
15 to 24	5,340,000
1 to 14	12,880,000

Households

In 1960, there were 1,748,624 urban family groups and 3,136,701 rural family groups.

Income

In 1963, National £T59,337 million; GNP £T68,490 million; per capita income £T1,977; per capita GNP £T2,283. At December 1964 there were 5,332,681 operative bank accounts of which 5,088,821 were savings, 191,672 were commercial, 47,671 were official and 4,517 were inter-bank.

Retail Sales

At 1963, £T51,500 million, or £T1,717 per capita.

Motor Vehicles

In December 1964, 84,000 passenger, 105,300 commercial vehicles and 16,250 motorcycles and scooters were registered.

Telephones

In August 1965, there were 234,517 subscribers, the equivalent of 7.4 telephones per 1,000 persons.

Radio and Television

In September 1965 there were 2,411,211 licensed radio sets. There is no television service. Radio facilities owned and operated by the state corporation, Turkish Radio and Television Corp.

Water

Not safe to drink in most districts. Mains are largely restricted to cities and towns, but village mains are gradually being improved.

Electric Power

50 cycles, a.c., 220 volts, except in one-third of Istanbul where it is 110 volts. Roughly two-thirds of population still

has no electricity supply. Cost varies widely; domestic rate in Istanbul is 34 kurus per kw. including taxes; industrial rate in Istanbul is approximately 26 kurus per kw. including taxes. Single and three-phase current is available for all purposes. Real supply of voltage seldom exceeds 85 per cent of nominal. Grounding conductor is in cord; not legally required but there is a tendency towards its adoption. Distribution system uses a ground wire. National capacity was 1,937 MV in 1963, production in 1964 was 4,480 kwh. Changes in distribution system are expected with wide-scale expansion due over the next 10 years.

Coal

Both hard coal and lignite are available. Consumption is 65 per cent industrial. Production was 7,148,578 tons pithead hard coal and 5,778,482 tons pithead lignite, in 1964. Reserves were estimated in 1961 to be 1,500 million tons of hard coal and 847 million tons of lignite.

Gas

Both manufactured gas and LPG are available. Production of manufactured gas in 1962 totalled 84 million cubic metres; production of LPG in 1965 was 43,000 tons. Mains gas is available only in Ankara, Istanbul and Izmir. In 1962 there were 101,252 domestic customers for mains gas and 46,946 commercial customers. The number of LPG customers is not known, but demand has been rising rapidly since its introduction in 1961.

Petroleum Products

All lubricating oils are imported, but 80 octane gasoline, gas oil, motorine, and kerosene are produced locally. Crude oil from local supply accounts for approximately one-third of total refinery input of around 4.2 million tons per year. The 1965 refinery output is estimated at 690,000 tons of gasoline, 380,000 tons of kerosene, 1,080,000 tons of motorine, 1,600,000 tons of fuel oil, 145,000 tons of asphalt, 43,000 tons of LPG, 25,000 tons of diesel oil and 75,000 tons of jet fuel.

Weights and Measures

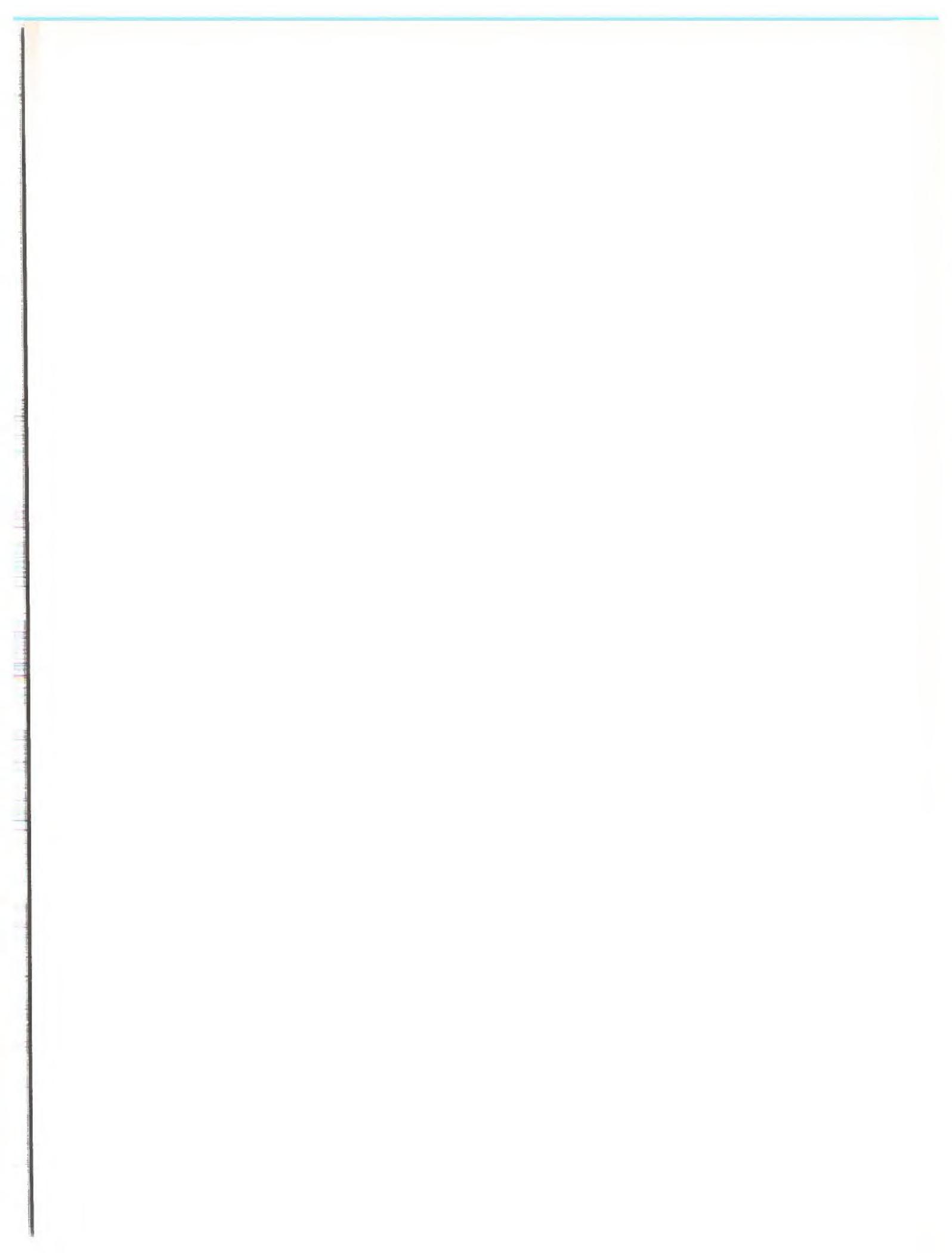
Metric.

Screw Thread

Not standardized. Right hand thread is most common.

Standards

Turkish standards are mandatory for certain items, and additional standards are being introduced quite rapidly. They may be obtained from the Turkish Standards Institute, Ankara.



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