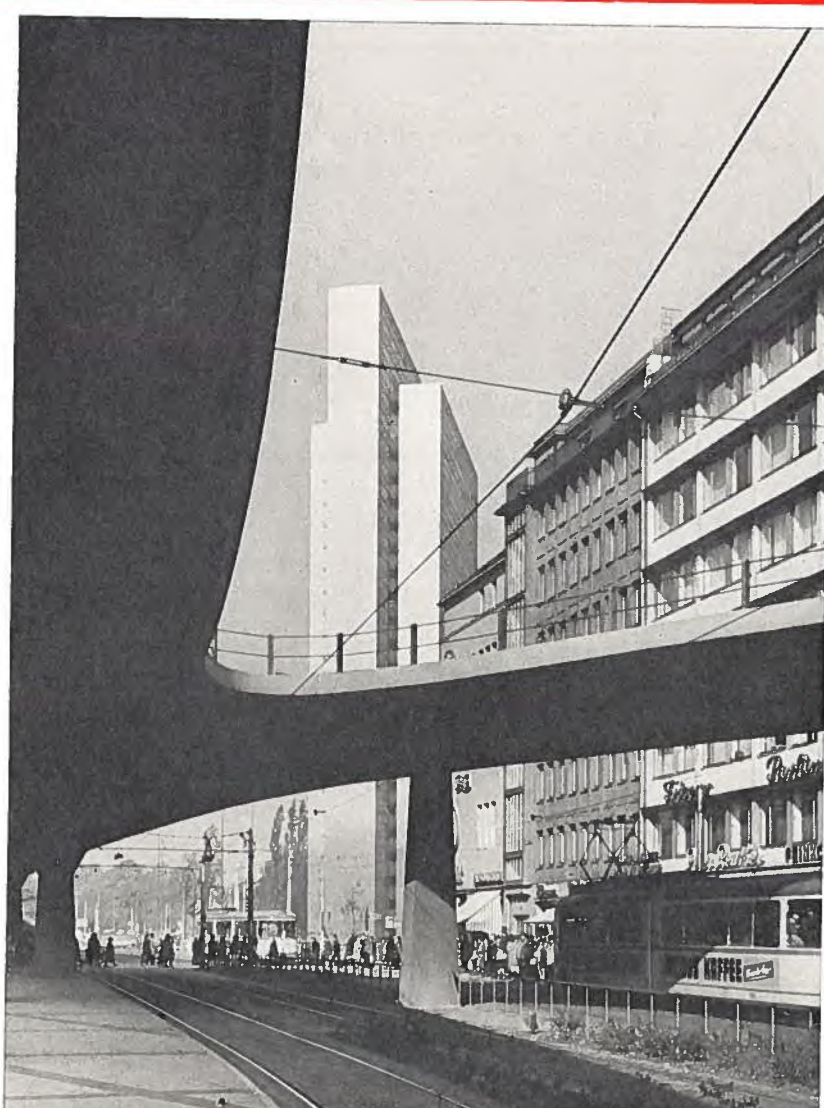
AUGUST 5. 67

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA



West Germany:
World's No. 2 Importer

FOREIGN TRADE

AUGUST 5, 1967 Vol. 128 No. 3

COVER: Some of Duesseldorf's office buildings seen through the supports of the elevated Autostrade. On the left is the 26-story administration building of the Thyssen steelworks. Expansion in Germany in the last few years has meant soaring imports; it has become a $20 billion market. Our leading article encourages more Canadian exporters to enter this market and offers suggestions about what to sell.

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West Germany -- World's No. 2 Importer

Canadian sales, down last year, should improve as West German economy regains its momentum. This article highlights the most promising sales opportunities in this $20-billion-a-year import market.

ROBERT J. BUCHAN, *Assistant Commercial Secretary, Bad Godesberg.*

WEST GERMANY has become one of the most important trading nations in the world. Imports in 1966 totalled Can.$19.6 billion and exports Can. $21.8 billion. It is not surprising, therefore, that this country of 60 million people (including West Berlin), packed in an area less than half the size of Alberta and with a gross national product of $129 billion in 1966, is Canada's most important trading partner in Continental Europe; it also ranks fifth among our world customers and suppliers. In 1966, Canadian exports to Germany reached Can. $177 million, Can.$12 million less than in 1965. German exports to Canada in 1966 were estimated at Can.$230 million, an increase of Can. $20 million over the previous year.

Our sales to Germany account for over one third of our exports to the Common Market countries, but our share of Germany's huge import market is steadily declining, as the ever increasing German import needs are now supplied by its Common Market partners.

When the Common Market was formed ten years ago, 22 per cent of Germany's imports were supplied by five member countries. Last year they supplied 38.4 per cent. By comparison EFTA (the European Free Trade Association) countries held 16.5 per cent of the market, the United States 12.6 per cent, and Canada 1.2 per cent. Ten years ago Canada was supplying almost 3 per cent of Germany's import needs.

Sales to Germany

Canadian exports to Germany have traditionally been dominated by unprocessed raw materials and foodstuffs. Leading commodities since the war have been bread and durum wheat, asbestos, unworked aluminum, copper, zinc, lead, iron ore, and more recently pulp and paper products and raw furs. Canadian sales of bulk commodities have fallen off slightly in recent years. Tariff levels have not had a great effect on sales of unprocessed industrial materials, because special low-duty quotas for most of these items make up for shortfalls of production within the EEC (European Economic Community). However, Canadian sales of these commodities vary from year to year, depending on world market conditions and on the strength of the German industrial economy. A combination of short supply from Canada and a slowdown in the German economy during the second half of 1966 caused a decline in our sales of industrial raw materials to Germany last year. Similarly, sales of bread wheat, our most important export, fell from Can. $22.6 million in 1965 to Can.$15.8 million in 1966 because of an abnormally good crop year in Germany. It is not fair, therefore, to suggest that our declining exports to Germany have resulted entirely from Common Market influences. In fact, sales of Canadian semi-manufactured goods, processed foodstuffs, and end products were up last year, in spite of rising tariffs and a slowdown in the German economy.

Domestic Purchasing Declines

The boom conditions which existed in Germany for most of the past decade disappeared during the latter half of 1966. In spite of a strong first half, the GNP in 1966 expanded by

What Are the Opportunities in Germany?

Canada's over-all sales to Germany decreased slightly during 1966 but some products, such as food specialties and unique giftware, made interesting gains. Here are some notes on what Canadians are selling or could sell in Germany.

Fish

Salmon—The demand for frozen and mild cured salmon remains constant, part of Canada's continuing trade with Germany. The Atlantic variety is preferred but British Columbia salmon is still popular. German fish smokers have learned the art of processing imported frozen salmon, thus opening a greater market to imports.

Eels—This is a fairly new Canadian export to Germany. Its potential is extremely good, growing stronger as more Germans appreciate Canadian gourmet delicacies. Last year an estimated 1.2 million pounds of Canadian silver eels were exported to this newly acquired sellers' market.

Halibut, Turbot, Flounder—Canada first exported these products to Germany in 1966 and since then business has increased steadily. There is a good market for high quality, well packaged products.

Herring—At present Canada does not export herring to Germany; future plans of the Canadian herring industry should include this market.

Canned Fish—Many varieties of canned fish have been exported to the German domestic market. Canada's share in this amounts to 10 per cent. This could be increased in spite of higher Canadian prices compared with the Japanese products. Two major Canadian fish packers now supply canned fish for German home consumption.

Fillets—Long-term prospects for penetrating into this market are considered excellent. This is a new export business for Canada and sales are mainly exploratory. Canadian fish fillets are practically boneless and are acknowledged to be better than the German products.

Fruit

Canned Sour Cherries—Since the liberalization of imports of canned goods in 1963, Canada has been very successful in exporting canned sour cherries to Germany. In 1965 sales reached Can.-$540,000 (1966 only $330,000 because of a bad crop), a good indication of future expansion, in spite of low-cost competition from France and the Mediterranean countries. Other Canadian canned fruit cannot be sold at competitive prices in this market.

Vegetables

Canned Wax Beans—Canadian exporters of canned vegetables to Germany find it difficult to meet prices offered by competitors. Canned wax beans and to a lesser degree canned corn are gaining in popularity, despite considerable competition from domestic brands. Sales of canned beans in 1966 amounted to Can.-$2.2 million and the market is growing.

Frozen Vegetables—There is a great potential for Canadian frozen vegetables in Germany, particularly specialties such as broccoli, fiddlehead ferns, broad beans, corn, and spinach. Sales of frozen vegetables to Germany amounted to Can.-$100,000 in 1966.

Honey

Canada supplied only marginal quantities of honey to the German market. High prices, resulting from high quality, are the main drawback. Complex packaging, labelling and food regulations also curtail Canadian entry into this market. German consumers are now showing a willingness to pay extra for Canadian quality products and this could mean a wider market for honey. Domestic production provides only 20 to 30 per cent of the market demand.

Livestock

Meat and Livestock—These Canadian commodities have had little success in Germany. Stringent veterinary regulations affect livestock imports. Small numbers of Holsteins have been imported under special licence, prompting a growing interest in purebred cattle. It is thought German authorities will ease current veterinary regulations if and when they decide to import Canadian breeds. No established trading patterns have yet been discerned.

Animal Products—Strict veterinary regulations control the import of these products. Embargos and high tariffs affect particularly the sale of imported butter and cheese. Exceptions are frozen poultry, turkey and chicken parts. Canada at times can be competitive in these products, considered delicacies in the German market.

Oilseeds

Rapeseed—Canada has supplied a large proportion of rapeseed imports into Germany—about 35 per cent of total German imports in 1966 (Can.$2.5 million). The market is expanding.

Flaxseed—Germany requires large quantities of oilseeds to make up for a shortfall in domestic production. Canadian flaxseed imports continue to supply this market. In 1966 some Can.$4.8 million worth was shipped to meet the expanding needs of Germany's extensive crushing industry.

Clothing

Men's Clothing—Style and cost almost eliminate Canada as a supplier to this market. Jackets for outdoor wear could be a possible exception, but only to a small degree. Local tariffs contribute to minor export possibilities.

Women's Clothing—Canada cannot normally compete with the German domestic market in women's clothing. Price and style are main hazards.

Children's Clothing—German-made goods for children are competitive in every phase of the industry. Outerwear garments must be lightweight for this market. Low-cost items are supplied by Italy and Hong Kong, and only the better quality items can be placed in this field.

Giftware, Toys

Only products of high quality, unique styling, and competitive prices can find a market in the German handicraft, giftware and toy market. These require good follow-up and selective promotion. Specialty giftware such as salad bowls, trays, and candlesticks made from Canadian woods are always in demand.

Sports Equipment

Canadian sports and recreation equipment is well known in Germany. Sales are fairly steady at Can.$400,000 a year. Ice hockey equipment continues to be the leader and inboard and outboard motors show a steady return (some Can.$67,000 worth were exported in 1965).

—GEORGE H. MUSGROVE,
Assistant Commercial Secretary (Agriculture), Bad Godesberg.

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only 2.7 per cent in real terms. Foreign guest workers declined from 1.3 million to 1.1 million during the year and this trend has continued in the first half of 1967. By the end of May this year 458,000 Germans were unemployed, compared with 108,000 a year earlier. Sluggish domestic demand resulted in a severe decline in total imports. The growth rate for imports for the whole year was only 3.5 per cent compared with 19.2 per cent in 1965.

Although there were shouts of panic and alarmist talk as the economy slowed down, the situation now appears to be well in hand. In co-operation with the Bundesbank, the new coalition government quickly adopted strong anti-recessionary measures. These are expected to reactivate Germany's economy by the second half of this year.

Three other important government steps are expected to stabilize the country's sagging economy:

1. Lowering the central bank rate from 5 to 3 per cent in the first four months of 1967.

2. Redirection of government spending into infrastructure projects (post office, railway and road construction).

3. Accelerated depreciation allowance for direct investment by industry during January to September 1967.

Economic growth in real terms may not be much greater than 2 per cent this year, yet as confidence returns to bolster domestic demand, 1967 should be a better year for imports.

Canadian companies exporting processed foodstuffs and manufactured products to Germany did well in 1966. Some of these areas and new marketing possibilities are discussed below and in the box feature, page 3.

Agricultural Products

Germany provides only 70 per cent of the domestic food demand. With 60 million big eaters to feed, annual food imports exceed Can.$4.7 billion. EEC agricultural policy, domestic quantitative restrictions on imports, complex food laws, and veterinary regulations have prevented Canadian food exporters from obtaining as large a share of this market as free competition would allow. However, there are bright spots, such as the bulk or agricultural raw materials field. Oilseeds, tobacco, sowing seeds, hides, skins, raw furs, and fish are all selling well and should continue to do so.

In processed foodstuffs, the picture is even more encouraging. Forty-six per cent of German females of working age are employed, compared with one-third in Canada. Time-saving foods, processed and frozen, are gaining rapid acceptance and Canada has secured a small foothold in the frozen food market. Sales in 1966 reached Can.$99,000 compared with no sales in 1961. Market prospects for the full range of Canadian frozen fruits and vegetables are good.

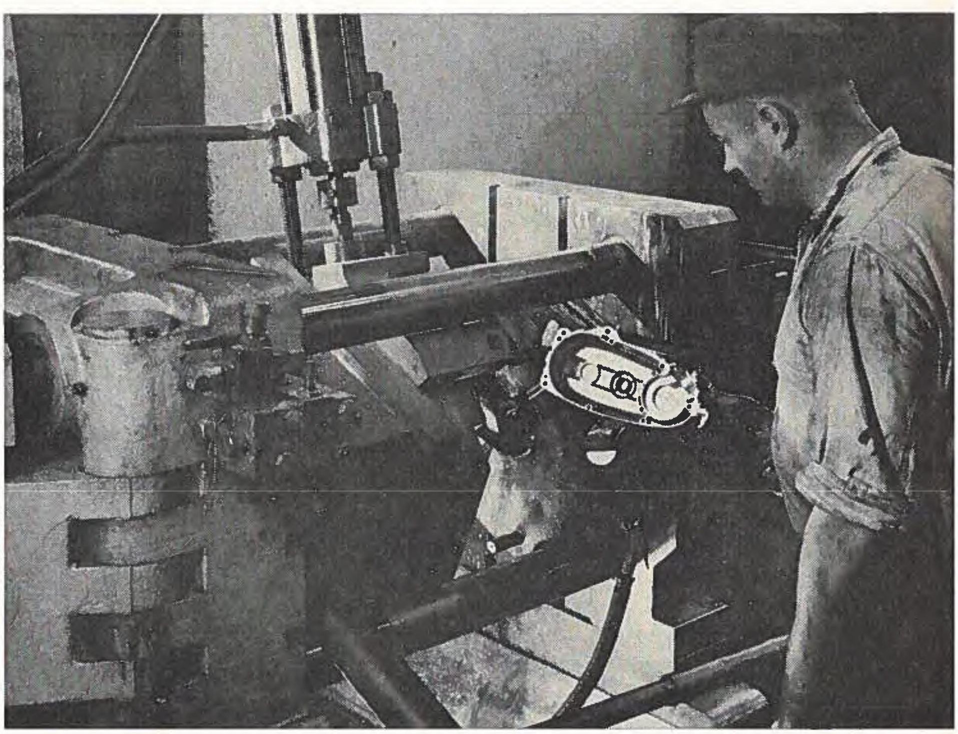
Gourmet specialties of all types are also gaining wide acceptance in Germany. Canadian eels, lobsters, canned fish, smoked and frozen salmon, honey, maple syrup, whisky, and many other Canadian delicacies all had increased sales in 1966 and should do better this year.

Last year, the Department of Trade and Commerce sponsored a trade booth at IKOFA (Sixth International Exhibition of Groceries and High Class Provisions) in Munich—Germany's second largest food fair. In September of this year, similar group participation in the ANUGA (International Exhibition of Fine Foods and Provisions) fair at Cologne is to be organized for the fifth time. ANUGA is the most important exhibition of this type in the Common Market area.

Semi-Manufactures, End Products

In recent years, Canadian manufacturers exporting to Germany held onto their markets, despite Common Market competition. In some areas, particularly the forest products industries, Canada is gaining a comparative advantage over its competitors. Styling, quality, and hard selling have paid off in the end products field.

For increased sales to Germany, forest products present the best opportunities. Canadian newsprint sales have already begun to develop, reflecting direct German investment in Canada. German importers are looking more and more to Canada as a new source of supply as Scandinavian



A die-cast aluminum lid is shown leaving a Buhler machine at Aluminiumwerke's Nurnberg factory. In recent years, unworked aluminum and other metals have been among the leading exports to Germany from Canada and prospects are still good.

producers approach a level of sustained yield. Sales of Douglas fir plywood and eastern spruce continue to expand. With more aggressive promotion, eastern hardwoods for flooring and furniture components could find a sizable market in Germany.

Expanding Our Sales

Consumer goods have led the way in the rapid expansion of German imports in recent years. Rising wages and higher domestic consumption have caused German consumers to demand more and more imported goods. These are original products not manufactured in Germany or goods with unique styling. Unfortunately, the lack of flexibility in Germany's overburdened domestic economy has not allowed for rapidly changing consumer tastes and preferences. This partially explains the success that certain U.S. and Canadian manufacturers have recently enjoyed in this field. Even during the country's economic slowdown caused by sluggish domestic demand, imports of Canadian consumer goods increased by approximately 40 per cent although total Canadian exports to Germany went down 6 per cent. Men's and women's outerwear, finished fur garments, and camera equipment showed the strongest gains.

Quality is often more important than price in the German market. In some areas Canadians are ahead of their European competitors in design and technology. If Canadians hope to sell manufactured consumer goods that require after-sales service (such as home heating equipment), co-operation in a joint venture or a licensing arrangement with a German manufacturer is recommended. Larger U.S. firms are tending to establish branch plants or sales and servicing outlets incorporated in Germany. These are manned by German staff.

If the initial investment in such an outlet is too costly, the best alternative is to co-operate with a progressive German manufacturer. Canadian manufacturers of oil-fired home heating equipment might expand their markets if German-based representation were established. This could also apply to gas-fired heating and appliances. A natural gas pipeline from Holland is now under construction, and will be completed to Frankfurt by 1968. The resulting development of a new market for gas-fired equipment of all types could be of interest to Canadian manufacturers.

There is a good market in Germany for specialty and convenience foods and this tempting display of Canadian foods will catch the housewife's eye at the International Exhibition of Fine Foods and Provisions (ANUGA) in Cologne this year.

Packaging and labelling of packaged consumer goods can present a problem. To overcome this, a good German agent can arrange for foreign-made products to be packaged in Germany, thus conforming with domestic packaging standards and labelling requirements.

Using Trade Fairs

The German people are among the most trade-fair-conscious buyers in the world. The Department of Trade and Commerce is aware of this and is sponsoring trade participation or information stands at six German trade fairs this year. Products to be displayed include baby clothing, sports goods, processed foods, and hardware. These commodity trade fairs are geared to meet most export requirements and are the quickest and most efficient way to test the German market, compare competitive prices and quality, and meet potential agents and distributors.

An alternative way to win sales in Germany is to approach the big buyers from department stores and mail-order houses. Comprehensive reports detailing how to contact these huge organizations—with a combined purchasing power of some Can.$5 billion—are available from the Trade Commissioners in Hamburg, Duesseldorf or Bonn, who will be pleased to assist you in marketing your goods in Germany. Information on trade fairs can also be obtained from these offices and from the Department of Trade and Commerce, Ottawa.

How can you afford not to investigate a Can.$20 billion market? ●

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Three West African Markets

V. BRIAN CHEW, *Commercial Counsellor, Accra.*

Ghana Reorganizes Its Economy

Now national priorities determine what Ghana buys, but demand for our exports should grow as the economy develops. Competition is keen and Canadian manufacturers must have really good agents.

THE NEW GOVERNMENT of Ghana, with assistance from the World Bank, is actively working towards a reallocation of resources and a general strengthening of the balance of payments which had seriously deteriorated during the previous regime.

Ghana's income from exports is fairly constant and for the last five years has averaged approximately $330 million. To keep the economy on the move and reorganize industry, the Government has had to resort to controlled deficit expenditure. These controlled expenditures will amount to $420 million in the current year and with the deficit covered by the IMF, foreign loans will be used to help industry and agriculture. A large part will be spent on much-needed spare parts and agricultural chemicals. As an example of the kind of problem the Government is confronted with, no insecticides were imported in 1966 to protect Ghana's all-important cocoa crop—one of the reasons for the smaller crop in 1967.

Another financial burden that Ghana must face is its medium- and long-term indebtedness which amounts to the huge sum of $550 million. Creditor countries have already agreed to a two-year moratorium followed by repayment spread over ten years starting in 1969. Ghana, meanwhile, is still a customer for Canadian goods and we should aim to increase sales in step with the pace of economic recovery.

WHAT GHANA EXPORTED IN 1965

	Quantity	Value million cedi
Cocoa beans	494 thousand tons	163.8
Cocoa paste	21 thousand tons	1.1
Cocoa butter	21 thousand tons	13.7
Timber (logs)	15.5 million hoppers ft.	15.9
Timber (sawn)	8.1 million cu. ft.	13.7
Bauxite	283 thousand tons	1.6
Manganese	565 thousand tons	11.5
Diamonds	3.1 million carats	16.2
Gold	783 thousand fine ounces troy	22.9
Kola nuts	2.7 thousand tons	.8
Other exports		7.0
Total		**268.2**

Procedure Is Important

Exporters to this market should have a local agent. The Canadian Trade Commissioner's office will be pleased to recommend a suitable one. Agents nowadays tend to specialize in relatively confined commodity groups, such as food, machinery, or chemicals and pharmaceuticals. Bear in mind that all price quotations must be c. & f. and that by law all goods imported into Ghana must be insured by the State Insurance Corporation for the account of the importer.

Exporters to Ghana should look at both the public and private sectors. The public sector includes the various ministries, the government agencies, and the state enterprise group of industries. Theoretically, all public sector organizations call upon the Ghana Supply Commission to purchase for them. To show how the system works in practice, let us follow a purchase requisition issued by the State Mining Corporation for a new dragline bucket.

1. The completed requisition is sent to the Ghana Supply Commission, which then compiles a list of all dragline bucket manufacturers registered with the Commission. A supply tender, showing specifications, delivery date, credit terms, and other related data, is then sent to each of these manufacturers.

(A Canadian company can register with the Commission by paying the NC2.00 ($3.00) registration fee and completing a registration form listing in detail the items that it manufactures. Upon request, the Canadian Trade Commissioner's office in Accra can arrange for registration with the Commission.)

2. After the tenders have been returned and the supplier selected, the Commission, in co-operation with the Ministry of Trade and the Bank of Ghana, issues a formal purchase order.

3. An import licence is then issued and the foreign exchange allocated on the foreign payment schedule. According to law, all purchase orders issued by the Ghana Supply Commission show that payment will be made by a 180-day irrevocable letter of credit. (The purchase order will probably call for the goods to be carried by a ship of the Black Star Line, a state enterprise.)

Strong British Influence

The private sector is mainly composed of European companies established in Ghana before 1960. These are the large mercantile, timber and mining companies, most of them owned and managed by British interests. Naturally, they tend to purchase British goods and have buying offices in London, Liverpool or Manchester. Even the few non-British, European-owned companies have their buying offices in Britain. The offices in Britain purchase goods not only for operations in Ghana, but for all West Africa, because the majority of these companies trade throughout the area. However, a local manager may initiate a purchase order via his head office for goods either not readily available or not competitively priced in Britain. Canadian flour is an example.

Before a company in the private sector can issue a purchase order to the supplier or to head office (if payment is to be offset by Ghana's foreign exchange earnings), it must obtain an import licence from the Ministry of Trade, after the foreign exchange allocation has been approved by the Bank of Ghana. The import regulations specify that payment for all commodities purchased by the private sector shall be by means of a 180-day irrevocable letter of credit.

We advise Canadian companies who wish to sell in Ghana to contact the Trade Commissioner's office in Liverpool and London as well as in Accra. Please send copies of key correspondence to each office to prevent misunderstandings and to help us work most effectively for you.●

Main State Enterprises

Brick and Tile Corporation
Cement Works Corporation
Distilleries Corporation
Fibre-Bag Manufacturing Corporation
Fishing Corporation
Food Marketing Corporation
Footwear Corporation
Furniture and Joinery Corporation
Glass Manufacturing Corporation
Gold Mining Corporation
Hotel Corporation
Housing Corporation
Marble Works Corporation
Match Corporation
Meat Products Corporation
Metal Industries Corporation
Paints Corporation
Paper Conversion Corporation
Pharmaceutical Corporation
Sheet Metal Works Corporation
Steel Works Corporation
Sugar Products Corporation
Telecommunications Corporation
Tyre Service Corporation
Vegetable Oil Mills Corporation

Canadian flour is hoisted out of the ship's hold at a port in Ghana. Flour is still Canada's leading export to this market but patient effort has brought good business to exporters of many other goods.

Could You Sell in Togo?

Commercial ties with France are less strong in Togo today, a small country with an expanding phosphate industry. If you are exporting to Ghana, be sure to take a look at the market next door.

R. J. LEDOUX,
Assistant Commercial Secretary, Accra.

TOGO is a French-speaking republic of about 1.6 million people on the coast of West Africa and its capital, Lomé (population 126,000), is about three hours' drive on a good road from Accra in Ghana. The country is mainly agricultural, exporting cocoa and coffee, but in recent years the mining of phosphate has become important.

TABLE I

TOGO'S TRADING PARTNERS IN 1965

	Exports from Togo	Imports into Togo	Balance
	(Can. $ million)		
Franc Zone	13.3	17.7	—4.4
of which:			
France	12.4	15.2	—2.8
Dollar Area	0.19	2.7	—2.5
of which:			
U.S.A.	Nil	1.6	—1.6
Sterling Area	1.4	5.3	—3.9
of which:			
Britain	0.5	2.8	—2.3
Ghana	0.06	1.1	—1.0
Others	15.1	22.7	—7.6
of which:			
West Germany	2.6	9.4	—6.8
Japan	1.2	6.7	—5.5
Italy	2.5	0.6	+1.9

Since independence in 1960, Togo has had a trade deficit each year. Although France is still the major customer and supplier, its importance has been declining. In 1960, it supplied 58 per cent of imports and took almost 65 per cent of exports, but in 1965 the figures were 36 per cent and 46 per cent, respectively. Togo has an open door policy and does not discriminate between sources of supply. Its trade pattern is given in Table I.

Mining phosphate is the country's main industry next to agriculture, producing one-third of export earnings. There are small factories processing agricultural products, cotton ginning plants, and small brick and tile factories. Togo's Five Year Plan (1966-70) aims to diversify agriculture, which will remain the mainstay of the economy, and to encourage the growth of industry. The Government offers incentives to foreign investors and the opening of the new Lomé harbour this year will also help to stimulate trade.

Business activity in Togo is mainly in the hands of a few large European-owned companies managed from head offices in Europe. Nevertheless, the Société Togolaise d'Exportation et d'Importation (SOTEXIM), a national trading company, provides a means through which Canada may improve its commercial position. Canadians should be able to take advantage of the fact that the majority of our consumer goods are labelled in French as well as English. Correspondence and promotional literature must be in French too. Credit conditions are good and the Canadian share of the market could be increased.

If you have a product that might sell in Togo, the Canadian Commercial Secretary in Ghana will be pleased to help you to assess the market. ●

Check the Ivory Coast Market

The Ivory Coast has enjoyed political stability since independence and become one of the most prosperous markets in West Africa.

R. J. LEDOUX,
Assistant Commercial Secretary, Accra.

THE IVORY COAST, a former French colony in West Africa, has a population of some 3.7 million which includes 30,000 Europeans. Agriculture is the mainstay of the economy, with coffee, cocoa, bananas, and pineapples the main commercial crops.

The capital, Abidjan, is called the "little Paris of Africa", and has

TABLE I

IVORY COAST'S TRADING PARTNERS, 1965

	Exports from Ivory Coast	Imports into Ivory Coast	Balance
	(Can. $ million)		
Franc Zone	140.7	178.6	—37.9
of which:			
France	113.0	157.6	—44.6
Dollar Area	47.2	17.6	+29.6
of which:			
United States	46.6	13.8	+32.8
EEC	70.4	34.1	+36.3
of which:			
West Germany	19.8	15.0	+4.8
Belgium and Luxembourg	3.4	5.6	—2.2
Italy	26.3	8.2	+18.1
Netherlands	20.7	5.1	+15.6
Sterling Area	16.6	11.2	+5.4
of which:			
Britain	10.1	5.1	+5.0

310,000 inhabitants. Bouake, in the interior, is the second largest city. In addition to Abidjan, there are two other seaports, Sassandra and Tabou. A third is under construction at San Pedro, intended to stimulate development of the southwestern coastal area.

Coffee is the country's main export, accounting for 40 per cent by value of all exports; timber contributes 30 per cent and cocoa 18.

France is both the country's major customer and major supplier. The United States and West Germany come next, followed by Belgium and Italy. Canada's trade with the Ivory Coast is small; our exports are generally well below the $100,000 mark but they could be substantially increased. There are a number of established locally-owned and managed trading companies in Abidjan with which Canadian exporters might do business directly.

The country has a record of good management since it achieved independence and credit conditions are similar to those in North America. It offers a potential market for consumer goods because, apart from cotton textiles, bicycles, and the Renault factory, local industry is practically confined to processing agricultural products and fish. There is also a demand for chain saws, electrical equipment, newsprint, sawmill equipment, and fine papers.

Exporters should consult a short list of products which can be imported without restriction (to be found in the Ivory Coast Customs list) and the list of products on which individual importers are allowed to spend certain sums for each six-monthly period (La liste des Contingentements Globaux). The importer must apply to the exchange office of the Ministère des Finances des Affaires Économiques et du Plan if he requires foreign currency. European Common Market countries receive preferential tariff treatment.

Because French is the language of the Ivory Coast, it should be used for all correspondence and quotations should be in metric units where appropriate. Canadians should take advantage of the fact that most of their products are already labelled in French as well as in English. Exporters who wish to explore the possibilities of the Ivory Coast for their product are invited to write for further information to the Commercial Secretary, Office of the High Commissioner for Canada, P.O. Box 1639, E 115/3 Independence Avenue, Accra, Ghana. ●

A tree is sawn up in a forest clearing in the Ivory Coast. After coffee, timber is the most important of tbis West African country's exports. This creates a demand for chain saws and sawmill equipment which Canadians might be able to supply.

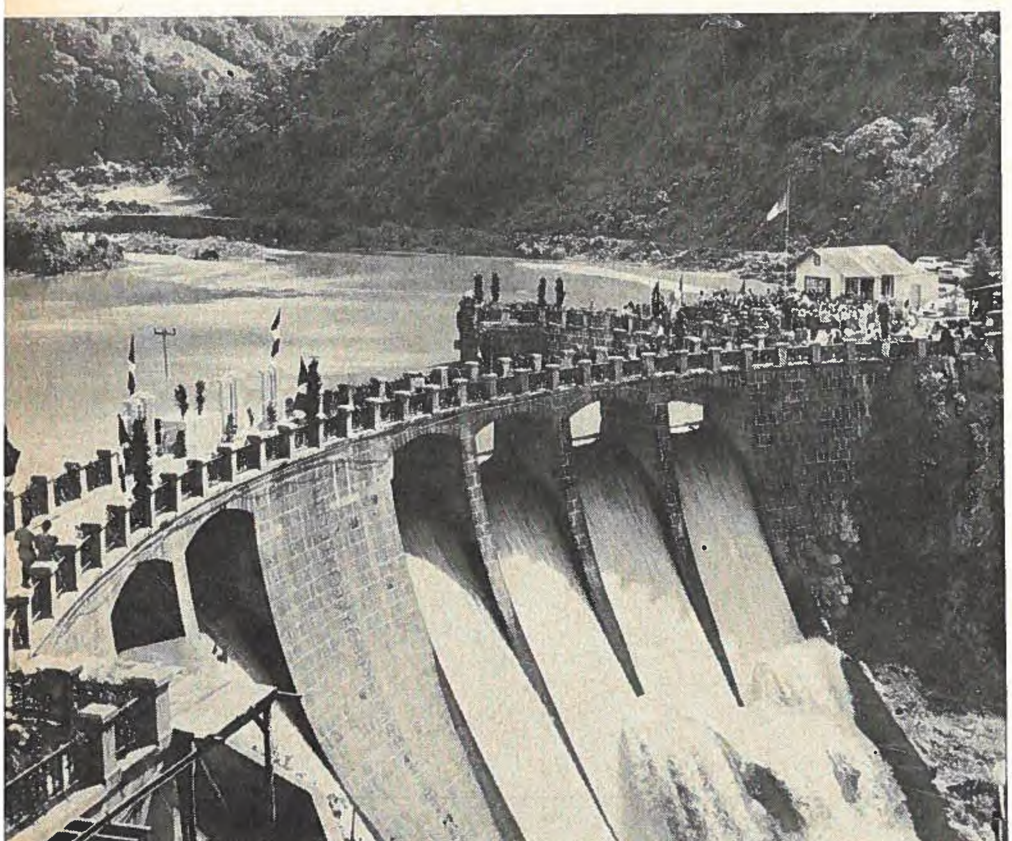
Guatemala Puts Power to Work

Canadian firms have already participated in a Guatemalan hydro project but dramatic new ventures offer them greater scope.

R. DOUGLAS SIRRS, *Commercial Secretary, Guatemala City.*

THE power development program in Guatemala—a vital factor in exploiting the country's human and economic resources—calls for an increase of 280 per cent in the power supply by 1972. This means a rise from the present capacity of about 95 mw. to 248 mw. five years hence, with a considerably greater output in the immediately succeeding years. This is in keeping with the country's rapid economic advance and a load expansion of 12 per cent a year. One of the significant aspects of this development is the increased size and output of the power stations planned. Until now, local plants have been relatively simple thermal and hydro units of between two and 30 mw. but the new ones will ultimately go as high as 400 mw.

The scope of the new ventures and the opportunities open to Canadian firms are outlined in the remainder of this article.



Guatemala's new hydroelectric plants will be ten times the size of this one.

Jurun Marinala Project

This is Guatemala's first major power project and it is now in an active stage. Ultimately it will have three hydroelectric turbines with a total output of 60 mw.; ancillary installations will include a 15 mw. gas turbine generator and a 5 mw. diesel generating plant, plus related equipment. The cost of the project is estimated at $50.8 million—$15 million is covered by a World Bank loan signed on January 19, 1967, local government and INDE (Instituto Nacional de Electricidad) will contribute $21.8 million, and the balance of $14.2 million may be supplied through another foreign loan in conjunction with the final development phase.

Most of the spadework for this project has already been carried out. The consulting engineers are Electrowatt of Zurich, Switzerland, and the construction supervisors Nat Harrison. Suppliers of equipment are soon to be designated as a result of tenders which were submitted before July 1, 1966. It is significant that these arrangements were made locally, well in advance of obtaining the World Bank loan. Although the World Bank has a power of veto over the locally recommended candidates, they will probably be approved provided the Bank is aware of and recognizes their capabilities.

Local Reputation Important

For this reason, Canadian firms which want to participate in projects of this nature should make themselves favourably known to the local power development body several years before the announcement of a new project.

A personal visit is the best way to do this. Evidence of successful work in this field is a major criterion used by the local power utilities in recommending a candidate. For example, the well-known power consultants, Acres International Ltd., were recently the only Canadian firm invited by the Nicaraguan power utility to submit a proposal on a 30 mw. thermal power station, and this was on the basis of proven capability in undertaking the 13 mw. Los Esclavos hydroelectric power project in Guatemala. We cannot over-emphasize the value of actually participating in a local venture as a prelude to further work; to get in on the ground floor it is necessary, of course, to make a concerted and usually prolonged effort.

Although bidding for the major portion of the Jurun Marinala scheme is now closed, there are still opportunities to bid on the Guacalate-Jurun-Guatemala transmission line as well as substation and dispatching centres. Another part of the program is a 33 mw. thermal plant at Guacalate which is still open to outside bidders.

Big Projects Ahead

Looking further ahead, Guatemala's most ambitious power project is the 400 mw. Atitlan hydro scheme with eight 50 mw. turbines. It is divided into four stages, with 100 mw. scheduled to be available by September 1972 and the final stage by 1981. The feasibility study is now being carried out without fee by Austrian engineers; a Canadian firm also submitted some preliminary data in 1963. The total cost of the power plant has been estimated at well over $85.5 million and an application has already been placed before the World Bank for its consideration to carry out over-all feasibility work, and drawings and specifications for the first stage. This project will also involve a double-circuit 200 kv. transmission line link with Guatemala City.

An American and foreign power company subsidiary, Empresa Electrica de Guatemala, was granted a 50-year concession in 1922 and since then has succeeded in building up approximately 65 mw. capacity. Although it is the main source of power in Guatemala, its position is now static and future power needs will be provided by INDE, the government-sponsored power agency, which at present only generates about 30 mw. as outlined below but is scheduling a massive expansion. INDE is also taking over some of the Empresa Electrica's power stations and is negotiating the purchase of the Michatoya plant to accommodate the Jurun Marinala project.

Instituto Nacional de Electricidad

Guacalacate (Escuintla) 1965—Gas turbine	12.5 mw
Los Esclavos (Sta. Rosa) 1966—Hydro	13.0 mw
San Felipe Retalhuleu—Diesel	2.9 mw
Santa Maria 2—Diesel	2.2 mw

INDE argues that atomic power cannot be used for the economic generation of power in Guatemala within the foreseeable future, in view of the existing alternatives. In looking far ahead, however, this form of power should also be taken into account.

The Canadian Commercial Secretary in Guatemala would be pleased to amplify this article and to refer interested Canadian firms to the appropriate people at INDE, the Empresa Electrica, or agencies in other Central American countries, all of which offer scope for Canadian products or engineering services.●

Syria Looks for Quality

SYRIA'S POLICY of industrialization is creating a demand for all kinds of machinery and equipment, despite the present foreign exchange difficulties. Orders are being placed now (and they should increase) for electronics, computers, equipment for factories and small dams, tractors, bulldozers, and radar for airports.

In the petroleum field, Syria is taking over management of the petroleum industry and developing its resources through the GOP—General Petroleum Organization. A pipeline from North Syria to Tartous is being built by the Italian firm SNAM-Progetti and the Homs refinery is being extended. This time Technoexport, a Soviet enterprise, is doing the work. Present oil concessions are being renegotiated and no new ones are being granted to foreign interests. The Government is also marketing petroleum products.

The Euphrates dam is the most important single project in the 1966-70 Five Year Plan. It is to have a storage capacity of 7.4 billion cubic metres, and its eight generating units will have a combined capacity of 1,550 million kwh. a year, part of which wil be used to pump water and irrigate 600,000 hectares of farm land. Agreement was reached a few weeks ago with the U.S.S.R. which will provide a loan of 120 million roubles to the Syrian Government for financing the Euphrates project. Technical studies are being completed and construction will begin this year. Half the project will be financed from foreign sources.

Much of the business in Syria must be obtained by tendering. This method is used for purchasing machinery and equipment, especially in the telecommunications, aviation, hydroelectric and industrial fields. Syria has developed a method of assessing tenders which takes into account performance and maintenance costs as well as the initial price. Canadian companies tendering for contracts have a greater chance of success if they bear this in mind. Here is how it works.

When a tender is received, Syrian technical experts allot marks for such things as output, reliability, durability, cost of maintenance and spares, compatibility with the rest of the equipment in the system, adaptability to other systems, and the availability of technical advice. The marks are then expressed as a percentage.

The total cost is then divided by the percentage rating to find the cost for each per cent of effectiveness. For example, a Canadian firm which puts in a bid of $900,000 and gets a rating of 90 per cent ($10,000 for each per cent of effectiveness) will win over a competitor with a bid of $850,000 given a 75 per cent rating ($11,333 for each per cent of effectiveness). The actual amount of the bid is of secondary importance—what really counts is the over-all technical capability. This decides who gets the business, provided that the tender is otherwise acceptable.

—PIERRE W. AUBIN,
Assistant Commercial Secretary, Beirut.

Enterprising Exporters in Western Canada

For Children, Canadian, and Competitive

"EXPORT BUSINESS is the frosting on the cake," says Gary T. Steiman, general manager of Canadian Garment Company Ltd. of Winnipeg. "Our Canadian customers are our bread and butter. But having some foreign business makes us more efficient in our Canadian operation, because our export business is developed to use slower production periods. This eliminates the need to raise domestic prices to compensate for these annual slow periods."

If this makes Steiman's approach to exporting appear casual, it is anything but. He has planned it carefully. Basically, it has two facets: offering a line that is distinctively Canadian, and tailoring export methods to suit each market. In 1960 this Winnipeg firm, with over 25 years of experience in the garment business, decided to change from men's outerwear to children's wear. By 1962, through the efforts of partner Ralph King and its sister company, Junior Wear Ltd., the new image of Canadian Garment was beginning to emerge. Today, the firm's children's wear business has increased ten times over 1962. Last August a new factory was opened in Miami, Manitoba, and in February 1967 another larger one went into operation in Morden, Manitoba. These are in addition to the main plant in Winkler, Manitoba, as well as the Winnipeg base.

Steiman's first venture in exporting began when he exhibited in 1963 at the National Canadian Samples Show that the Department of Trade and Commerce sponsored in Toronto and Montreal and to which it flew in buyers from many parts of the world. Those from the United States showed some interest in Canadian Garment's line but buyers in the Netherlands, Ireland, Italy, Germany and Switzerland placed orders. Steiman is now selling much larger quantities to the customers in those countries and each is buying more models and in greater volume.

Like many other companies in the Canadian West, Canadian Garment naturally eyed the market south of the border—large, nearby, and with tastes close to the Canadian, but also extremely competitive and demanding. About three years ago, the Manitoba Government organized a sales trip to Chicago for some 16 firms in the province's garment industry. Their products were displayed in sample rooms and Chicago buyers were invited to inspect them. As a result of this exposure and a careful follow-up of contacts, the firm began to sell its products to specialty shops and to department stores interested in quality lines, like Lord and Taylor, Marshall Field, Neiman Marcus, and Bonwit Teller.

Steiman's experience is that the American and European markets are essentially different and require different handling. He finds his European customers less exacting: in fact, they are often easier to satisfy than Canadians and they buy at the time when the firm most needs orders. He quotes prices c.i.f. the ports that the customers name and they buy on his terms, cash against documents. Some of the buyers—for Arnott's in Dublin and Vroom en Dreesmann in Holland, for instance—come over to Canada each year to look over the line and make a selection. To others, such as in Milan, he sends over about 12 sample garments in a number of styles by air freight and the store then makes up its order. (It also splits the cost of the air freight with him.) Both American and European markets are looking to Canada for quality and for something different—preferably goods typical of Canada. Europeans tell Steiman that Canadians make the finest winter outerwear in the world and don't even know it.

Handling Problems

Problems? There are two in selling to Europe, according to Steiman. One is the delay that sometimes occurs in Customs offices. He has, for instance, rushed a shipment to a store in Italy by air freight, only to have it held up in the Italian Customs for five to six weeks. The other is the actual documentation required in shipment of orders. To solve this, he makes use of a Winnipeg freight forwarder who picks up the goods, looks after all the paperwork, and arranges for sending them on to the buyer. The forwarder also advises on packing. To make sure that the parkas and jackets reach the store looking fresh and undamaged, each is put into a polyethylene bag and then all are packed in double-walled, plastic-lined cartons, to guard against dampness. The forwarder also looks after the marine insurance. If and when sales to Europe go up sharply, Steiman may consider doing his own forwarding, as he does for U.S. sales. This spring he set off on a trip planned to expand sales to Europe—a trip that took him to Glasgow, Dublin, London, Amsterdam, Duesseldorf, Milan and Paris.

Selling to the Americans is a different proposition. Tariffs are more complicated and require more study; the embroidery on a parka, for example, may mean an increase from 27½ to 42½ per cent in the duty on the whole garment because the U.S. calls it "decorated". If these features are considered essential to the style, they are retained in spite of the duty; if not, they are dropped. To straighten out duty problems that arise, a representative of the firm confers with Customs officers at New York or Pembina, N.D., and if necessary, Steiman is prepared to go to Washington to get a firm ruling. He now uses a customs broker at Pembina to clear shipments sent down to the border by truck, pay the duty, and send them on to their ultimate destination by parcel post, truck or rail, whichever is the most feasible. Prices are quoted f.o.b. Pembina, duty paid, and the customer either takes over at the border or pays the forwarding cost.

Steiman is emphatic about one aspect of selling a product like his in the United States: there is not much use looking for a good agent there until you have proved that what you have to offer really will sell. The good agent wants to be shown—you can't go to him with an unknown line of garments at an unknown price. But if the manufacturer can say, "Call up the children's outerwear buyer at Marshall Field's and ask her what she thinks of our line," that's the start of a deal. Handling an accepted product also eliminates most of the risk for the agent.

Getting an Agent

In choosing a U.S. agent, the firm took its time. Steiman contacted their U.S. customers and said, "We are looking for a good agent: would Mr. X be the right choice, or have you other suggestions?" The firm also obtained names from trade magazines. After investigating 25 prospects, the list was narrowed down to six and eventually the choice was made. This agent, with headquarters in New York, had the exclusive right to the Canadian Garment line throughout the U.S. and sold on commission.

Later, when the head of this agency resigned to take over as vice-president of a U.S. garment firm, Canadian Garment decided to open its own New York sales office. Steiman himself goes to New York four or five times a year to work with the large national U.S. companies in this field. Today the Winnipeg firm has over 100 specialty and department stores in the U.S. as customers.

Ask Steiman what objective his firm has set for itself and he replies, "To satisfy the customer, wherever he may be, by specializing in an area and developing it so that we can become the best in it." It is this specialization, resulting in a distinctive line that says "Canada", plus concentration on regions where customers have proved receptive, that is bringing Canadian Garment export success.

Versatile Stresses Service

Product: first, a grain auger and a self-propelled swather, simple in design, easy to operate, plus other farm machinery, including a combine and new 4-wheel-drive tractor.

Logical export market: the United States Midwest, where large-scale grain farming is carried on in much the same way as on the Canadian prairies.

Tariffs: none; agricultural machinery of this type enters the U.S. duty-free.

Problem: to win acceptance for this product from farmers in the Midwest States who are not oriented to "buying Canadian".

Progress: over a decade, excellent. Nearly half the firm's sales in 1966 were export sales.

That, in a nutshell, is the export story of Versatile Manufacturing Ltd. of Winnipeg—and one of the main reasons why the company has twice had to enlarge its plant. And as the swather gained and held customers, the firm began to offer its other equipment. In 1965, for example, it started selling a combine of its own manufacture in North and South Dakota—a model intended principally for harvesting cereal grains, not corn. The firm regards it as a good basic machine without frills; it does a competent job but costs considerably less than other models. (It also allows the dealer a good margin of profit!) Last year Versatile produced a 100 h.p. 4-wheel-drive tractor which it is also busily promoting. This year two additional models were introduced ranging up to 145 h.p.

Versatile's management believes that the key to success in marketing agricultural machinery in the United States is selecting the right selling methods. In the States closest to Manitoba—North and South Dakota and Montana are examples—it chooses to sell direct to farm equipment dealers, supplying and servicing them from the Winnipeg base. In more distant areas it employs stocking distributors, rather than those who sell on consignment or commission agents. These distributors buy outright and then resell.

The farmer who buys a swather or a combine is looking above all for a reliable machine. If by some mischance it does break down, he wants speedy repair service and a nearby supply of spare parts. The threat of an unusable machine in the midst of harvesting operations is a real nightmare. Similarly, the new buyer does not want to wait for delivery. To meet these problems, the company opened a warehouse in Fargo, North Dakota, three years ago and put one of its Winnipeg staff in charge. It is part of his job to get in touch with individual farm equipment dealers, supply them with brochures, and help them to organize demonstrations of Versatile machines to show what they can do. He also carries stocks of parts and provides service. The firm undertakes to fly replacement parts from Winnipeg or Fargo as far west as Nebraska, Kansas, Oklahoma, or Colorado if ordinary express service is not fast enough. Parts dispatched before three in the afternoon usually reach the customer by the next morning—an important sales argument!

Incentives to dealers and distributors are also vital. Versatile has a plan whereby if a dealer or distributor buys and pays for six machines, the company allows him to carry another three on credit. All payments are due on August first. Prices are quoted f.o.b. plant and the purchaser is then charged a flat rate per mile for transportation. The company charters its own trucks and itself delivers units in the U.S. A customs broker clears the shipments at the border.

After a number of years of concerted effort, Versatile is today selling direct to dealers or through distributors not only in North and South Dakota and Montana but also in Wisconsin, Minnesota, Nebraska, Kansas, Colorado, Iowa, and Wyoming. Up to now it has not looked for markets beyond the United States because it has been able to sell there all the production available for export. But agricultural machinery is a seasonal business and management realizes that it would be a sound idea to have customers in areas where the seasons are reversed. This would help to even out the production curve. Recently a member of the firm visited South America on a trade mission and awakened some interest in its equipment, but so far no real sales effort has been mounted there. The Trade Commissioners in a number of countries have been asked to survey the market for some of Versatile's machinery and there have been inquiries from as far away as Sudan.

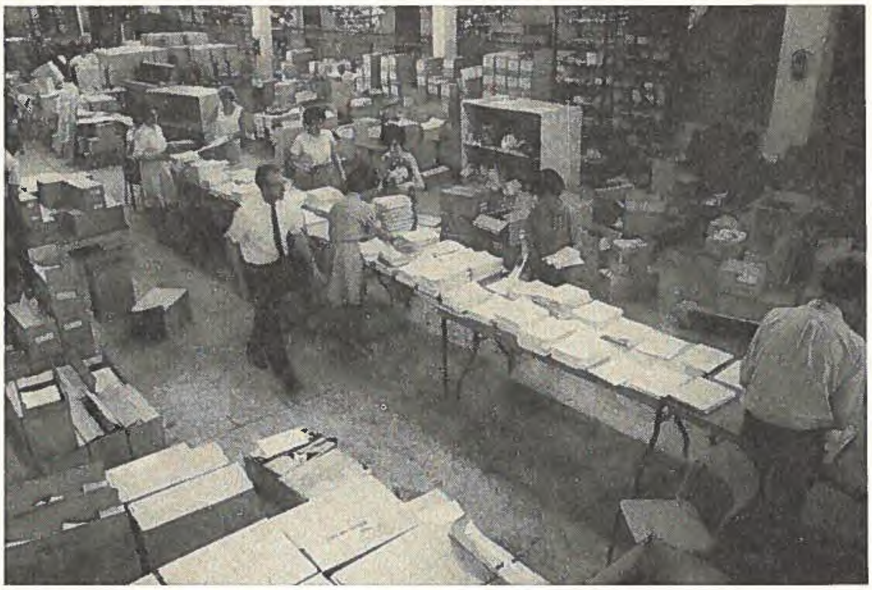
The 4-wheel-drive tractor is geared almost entirely to North American farm and forestry conditions but there is a market for machines 100 h.p. and over in other regions. The company has already had inquiries from England, South Africa, and South America.

Marketing Versatile equipment in these countries, however, would first call for research on farming conditions, on the types of grain grown, on other crops, and so on. It would also entail sending over a sample machine and someone to demonstrate and promote it. Shipping costs would also be high.

Since its move to Winnipeg from Toronto in 1953 and particularly since its incorporation as Versatile Manufacturing Ltd. ten years later, the company has made excellent progress, both in stepping up production and increasing exports. Eventually it hopes to achieve what it calls a "broad spectrum of markets", while continuing to reach new sales goals across the U.S. border and elsewhere.

—O. MARY HILL, *Editor, "Foreign Trade"*.

The Kennedy Round Scramble



THIS WAS THE SCENE as the Department of Trade and Commerce made a mighty effort to meet the world release date for the long-awaited results of the Kennedy Round tariff negotiations with a detailed report for Canadians. The photograph shows only a part of the organized chaos as the material was assembled into French and English language information kits. Each kit contained a copy of *Foreign Trade* or *Commerce extérieur*, four press releases and appendices (including the complete texts of the Anti-Dumping Code and the Cereals Agreement) and 129 pages covering the Canadian concessions prepared by the Department of Finance.

So many readers and businessmen have expressed their appreciation of the speedy release of this information, (we understand that we were the first of all the negotiating countries to produce a detailed report), that we feel a little blowing of our own horn wouldn't be out of place. So, a few statistics—

More than 250,000 pieces of literature—that's six million pieces of paper—were gathered and stuffed into envelopes to make up 21,000 kits. Each kit weighed 1.875 pounds; total weight over 20 tons. As the kits came off the production line, they were boxed for shipment.

How long did it take? Two days.

How did we do it? From 8 to 35 people at a time (depending on their other duties) slogged it out on three production lines, knee-deep in boxes, from 8.30 in the morning until about 9.30 at night. Assembling about 1,500 kits an hour, they walked miles and put in a total of 400 manhours.

Volunteering to work with the regular distribution staffs in Trade and Commerce and the Canadian Government Travel Bureau were typists, stenographers, secretaries, editorial writers, artists, photographers, technicians and executives of the Department. As the deadline crept nearer, we called on the Retarded Children's Association of Ottawa. Seven boys, accompanied by an instructor, pitched in and did an extremely efficient job.

While we're blowing our horn, we'd like to give a loud toot for the Canadian Government Printing Bureau whose letterpress and offset shops did a wonderful job. Without them, we wouldn't have had more than a quarter of a million pieces of literature to assemble—nor an opportunity to brag. ●

businessman's bookshelf

Canada One Hundred—1867-1967

Dominion Bureau of Statistics. 500 pages. $2.00

THIS handsome special edition of the *Canada Handbook* presents a concise and comprehensive view of Canada, its historic past, dynamic present and proud expectations for the future. The detailed information it contains was compiled and contributed by some of the country's most eminent historians, economists and sociologists, and emphasizes the great potential wealth as well as the colourful and unique social milieu which has made Canada famous.

Among the facets of Canadian life covered in this 500-page survey are: the land and its peoples, systems of government, the economy (both internal and external), society, the country's international prestige, and its Centennial projects. A bibliography lists other pertinent books.

Canada One Hundred is beautifully illustrated throughout, and its many colour and black and white photographs, colour maps, charts and paintings succeed in making it very much alive. In fact, it is designed to provide both a social and economic tour of the country for those who cannot travel the land themselves.

It is an impressive souvenir for travellers returning home from visits to Canada's great birthday party at Expo 67. In addition, exporters might like to give it to their foreign agents or customers as a souvenir of our Centennial year.

Order from: Queen's Printer, Ottawa, Canada, or from the Queen's Printer's bookstores.

Glossary and Handbook of Canadian-British Words

Compiled by D. L. Davis. 32 pages. $2.50 (includes mailing charge).

FOR THOSE who are puzzled by the differences in English as spoken by the British compared with Canadian usage, this handy pocket book of Canadian-British words will be a source of entertainment and enlightenment, even though it does appear to veer from its original intent—the explanation of major differences between Canadian and British English.

The author in compiling this seems to be offering sometimes Canadian-British word explanations and sometimes solely a guide to Canadian word definitions —both are included. There are also explanations of North American words without corresponding British definitions. This tends to detract from the book's advertised description.

An example of this is found on page 20 where, for the purist, the word nickel is further defined as "5¢ coin". No mention is made of its British counterpart, if any. (In British currency 5 cents would be approximately three pennies and three farthings—pronounced threepence-three farthings.)

Other entries requiring fuller explanation in the British sense include the word "boxcar". This Canadian word is not listed but its equivalent is found under a separate entry—freight, meaning goods wagon. This brings up another point, cross references. There are not enough. Credit buying in Britain is commonly known as hire purchase: both terms are listed under credit buying, but there is no cross reference under hire purchase. The same applies to the British word "lift". A visitor would have to know that a lift in Canada is known as an elevator—there is no entry to tell him so.

Apart from these weak spots, the businessman will find this a useful guide to variations in the meanings of Canadian-British words.

Order from: D. L. Davis, 925 Cardero Street, Suite 40, Vancouver 5, B.C.

The Irish Export Directory

Córas Tráchtála/The Irish Export Board
436 pages $2.50

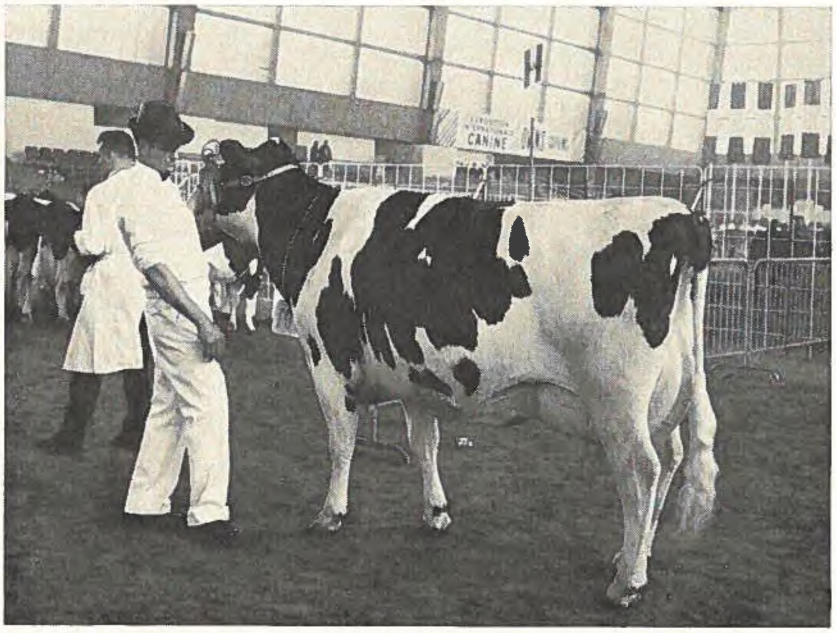
CANADIAN exporters interested in the Irish market may find this book of some help. Although it is primarily intended for buyers of Irish goods; it can be a potential source of sales through judicious use of the product and alphabetical lists of Irish export firms. Canadian firms wishing to export raw materials or semi-processed goods may find the addresses of Irish manufacturers helpful.

The book is written in three languages: English, French and German. Each firm's address and telephone number, plus a brief description of its export products, are given in the white pages. Through the use of colour sections (yellow, green and pink) the product classification in the three languages is easily recognizable.

Order from: Córas Tráchtála/The Irish Export Board, Bagot Street Bridge, Dublin 2, Ireland.

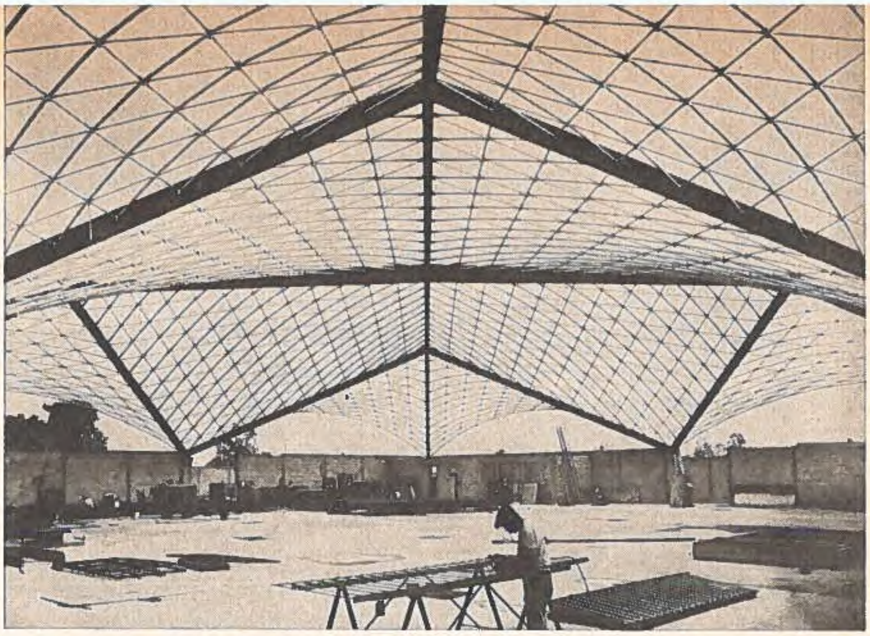
Index to Articles in "Foreign Trade"

January-June 1967



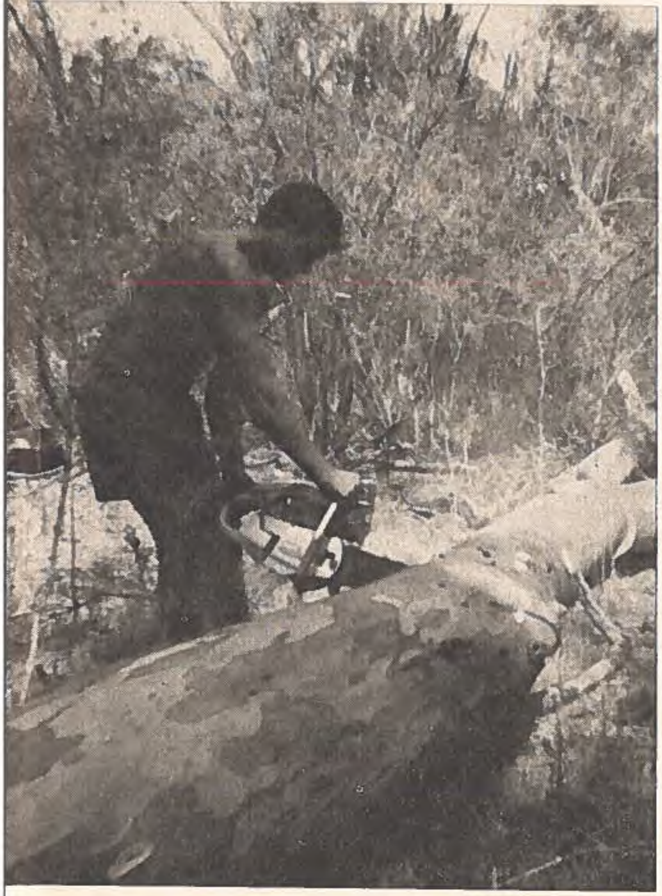
Here is Lenholme Sovereign Cindy, one of Canada's prized Holstein-Friesian dairy cows. This fine example won first prize for its Canadian owner at the SIAL Fair, Paris, March 4-12. Ten milk cows and two bulls were part of the Canadian exhibit, sponsored by the Holstein-Friesian Association of Canada and the Department of Trade and Commerce. French breeders have shown considerable interest in Canadian Holstein-Friesians.

Canada in Foreign Markets

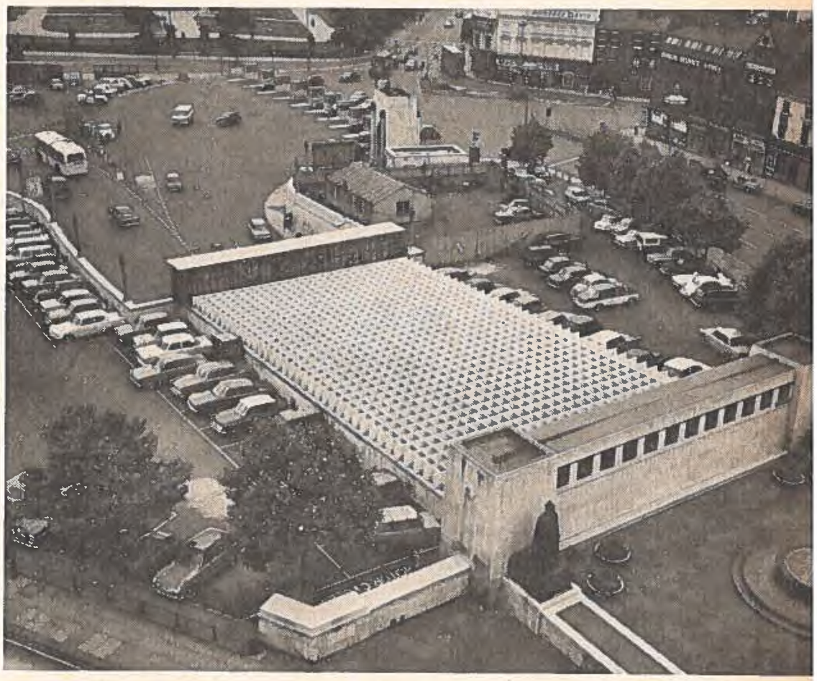


In Mexico—Built with Canadian knowhow and Canadian tools, this industrial roof is believed to be the largest hypar space frame yet built. The system was developed by Triodetic Structures Ltd. of Ottawa and is used in many countries.

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



In Australia—This woodsman makes light work of cutting up a big tree with one of Power Machinery's Canadien chain saws. The forest industries provide export opportunities for a whole range of Canadian-made machinery and equipment "down under".



In Britain—The lattice structure in the centre of the picture is a screen to soften the glare of the sun for motorists as they emerge from the Mersey tunnel. Canadian fir plywood web beams were used to make the screens, each of which is 48′ wide and 93′ long.

Geographical Listing for Exporters

Need Information on Foreign Markets?

You can get it from the Trade Commissioner posts around the world, or from the Office of Trade Relations in Ottawa. This breakdown tells you which TC post and which OTR Division is responsible for the country in which you are interested.

Country	TC Post	OTR Division
Aden	Beirut	Commonwealth
Afghanistan	Rawalpindi	Asia and Middle East
Albania	Vienna	Europe
Algeria	Paris	Europe
Andorra	Paris	Europe
Angola	Johannesburg	Europe
Argentina	Buenos Aires	Latin America
Aruba	Caracas	Europe
Australia	Sydney, Melbourne and Canberra	Commonwealth
Austria	Vienna	Europe
Azores	Lisbon	Europe
Bahamas	Kingston	Commonwealth
Balearic Islands	Madrid	Europe
Barbados	Port-of-Spain	Commonwealth
Belgium	Brussels	Europe
Bermuda	New York	Commonwealth
Bhutan	New Delhi	Asia and Middle East
Bolivia	Lima	Latin America
Bonaire	Caracas	Europe
Botswana	Johannesburg	Commonwealth
Brazil	Rio de Janeiro and Sao Paulo	Latin America
Britain	London Liverpool Glasgow Belfast	Commonwealth
British Honduras	Kingston	Commonwealth
British Solomon Islands	Sydney	Commonwealth
Brunei	Kuala Lumpur	Commonwealth
Bulgaria	Vienna	Europe
Burma	Kuala Lumpur	Asia and Middle East
Burundi	——	Europe
Cambodia	Hong Kong	Asia and Middle East
Cameroun	——	Europe
Canary Islands	Madrid	Europe
Cape Verde Islands	Lisbon	Europe
Cayman Islands	Kingston	Commonwealth
Central African Republic	——	Europe
Ceylon	New Delhi	Commonwealth
Chad	——	Europe
Chile	Santiago	Latin America
China, Communist	Hong Kong	Asia and Middle East
China, Republic of (Taiwan)	Manila	Asia and Middle East
Christmas Island (Indian Ocean)	Sydney	Commonwealth
Cocos-Keeling Islands	Sydney	Commonwealth
Colombia	Bogota	Latin America
Congo (Brazzaville)	——	Europe
Congo (Kinshasa)	——	Europe
Cook Islands	Wellington	Commonwealth
Costa Rica	Guatemala City	Latin America
Cuba	Havana	Latin America
Curacao	Caracas	Europe
Cyprus	Tel Aviv	Commonwealth
Czechoslovakia	Vienna	Europe
Dahomey	Lagos	Europe
Denmark	Copenhagen	Europe
Dominican Republic	Santo Domingo	Latin America
Ecuador	Bogota	Latin America
Egypt	(see United Arab Republic)	(see United Arab Republic)
El Salvador	Guatemala City	Latin America

Country	TC Post	OTR Division
Ethiopia	Cairo	Asia and Middle East
Falkland Islands	Montevideo	Commonwealth
Fiji	Wellington	Commonwealth
Finland	Stockholm	Europe
France	Paris	Europe
French Guiana	Port-of-Spain	Europe
French Oceania	Wellington	Europe
French Somaliland	Cairo	Europe
Gabon	——	Europe
Gambia	Lagos	Commonwealth
Germany	Bad Godesberg, Duesseldorf, Hamburg	Europe
Ghana	Accra	Commonwealth
Gibraltar	Madrid	Commonwealth
Gilbert and Ellice Islands	Wellington	Commonwealth
Greece	Athens	Europe
Greenland	Copenhagen	Europe
Guadeloupe	Port-of-Spain	Europe
Guatemala	Guatemala City	Latin America
Guinea, Republic of	Accra	Europe
Guyana	Port-of-Spain	Commonwealth
Haiti	Santo Domingo	Latin America
Honduras	Guatemala City	Latin America
Hong Kong	Hong Kong	Commonwealth
Hungary	Vienna	Europe
Iceland	Oslo	Europe
India	New Delhi	Commonwealth
Indonesia	Singapore	Asia and Middle East
Iran	Tehran	Asia and Middle East
Iraq	Beirut	Asia and Middle East
Ireland, Republic of	Dublin	Commonwealth
Israel	Tel Aviv	Asia and Middle East
Italy	Rome	Europe
Ivory Coast, Republic of	Accra	Europe
Jamaica	Kingston	Commonwealth
Japan	Tokyo	Asia and Middle East
Jordan	Beirut	Asia and Middle East
Kenya	Nairobi	Commonwealth
Korea	Tokyo	Asia and Middle East
Kuwait	Beirut	Asia and Middle East
Laos	Hong Kong	Asia and Middle East
Lebanon	Beirut	Asia and Middle East
Leeward Islands	Port-of-Spain	Commonwealth
Lesotho	Johannesburg	Commonwealth
Liberia	Accra	Asia and Middle East
Libya	Rome	Asia and Middle East
Liechtenstein	Berne	Europe
Luxembourg	Brussels	Europe
Macao	Hong Kong	Europe
Madeira	Lisbon	Europe
Malagasy Republic	Johannesburg	Europe
Malawi	Nairobi	Commonwealth
Malaysia	Kuala Lumpur	Commonwealth
Mali, Republic of	Accra	Europe
Malta	Rome	Commonwealth
Martinique	Port-of-Spain	Europe
Mauritania, Republic of	Accra	Europe
Mauritius	Johannesburg	Commonwealth
Mexico	Mexico City	Latin America
Monaco	Paris	Europe
Morocco	Paris	Europe
Mozambique (Portuguese East Africa)	Johannesburg	Europe
Nepal	New Delhi	Asia and Middle East
Netherlands	The Hague	Europe
Netherlands Antilles	Caracas	Europe
Netherlands Guiana	Port-of-Spain	Europe
New Caledonia	Sydney	Europe
New Guinea (Northeast) and Papua	Sydney	Commonwealth
New Hebrides (British-French Condominium)	Sydney	Commonwealth and Europe
New Zealand	Wellington	Commonwealth
Nicaragua	Guatemala City	Latin America
Niger, Republic of	Lagos	Europe

Country	TC Post	OTR Division
Nigeria	Lagos	Commonwealth
Norway	Oslo	Europe
Okinawa	Tokyo	Asia and Middle East
Pakistan	Karachi and Rawalpindi	Commonwealth
Panama and Canal Zone	Guatemala City	Latin America
Paraguay	Buenos Aires	Latin America
Persian Gulf Area	Beirut	Asia and Middle East
Peru	Lima	Latin America
Philippines	Manila	Asia and Middle East
Poland	Copenhagen	Europe
Portugal	Lisbon	Europe
Portuguese Guinea	Lisbon	Europe
Portuguese East Africa	Johannesburg	Europe
Portuguese West Africa	Johannesburg	Europe
Puerto Rico	Santo Domingo	United States
Reunion	Johannesburg	Europe
Rhodesia	——	Commonwealth
Rio de Oro	Madrid	Europe
Rio Muni	Madrid	Europe
Rumania	Vienna	Europe
Rwanda	——	Europe
St. Helena	Cape Town	Commonwealth
St. Pierre and Miquelon	Paris	Europe
Saudi Arabia	Beirut	Asia and Middle East
Senegal, Republic of	Lagos	Europe
Seychelles Islands	——	Commonwealth
Sierra Leone	Lagos	Commonwealth
Sikkim	New Delhi	Asia and Middle East
Singapore	Singapore	Commonwealth
Somali Republic	Cairo	Europe
South Africa, Republic of	Johannesburg and Cape Town	Commonwealth
South West Africa	Cape Town	Commonwealth
Spain	Madrid	Europe
Spanish Sahara	Madrid	Europe
Sudan	Cairo	Asia and Middle East
Surinam (Netherlands Guiana)	Port-of-Spain	Europe
Swaziland	Johannesburg	Commonwealth
Sweden	Stockholm	Europe
Switzerland	Berne	Europe
Syria	Beirut	Asia and Middle East
Tahiti	Wellington	Europe
Taiwan (Republic of China)	Manila	Asia and Middle East
Tanzania	Nairobi	Commonwealth
Thailand	Singapore	Asia and Middle East
Togo	Accra	Europe
Tonga	Wellington	Commonwealth
Trinidad and Tobago	Port-of-Spain	Commonwealth
Trucial States	Beirut	Asia and Middle East
Tunisia	Berne	Europe
Turkey	Athens	Asia and Middle East
Turks and Caicos Islands	Kingston	Commonwealth
Uganda	Nairobi	Commonwealth
United Arab Republic	Cairo	Asia and Middle East
United Kingdom	(see Britain)	(see Britain)
United States	Washington Boston Chicago Cleveland Detroit Los Angeles New Orleans New York Philadelphia San Francisco Seattle	United States
Upper Volta, Republic of	Accra	Europe
U.S.S.R.	Moscow	Europe
Uruguay	Montevideo	Latin America
Venezuela	Caracas	Latin America
Vietnam	Hong Kong	Asia and Middle East
Virgin Islands (U.S.)	Santo Domingo	United States
Western Samoa	Wellington	Commonwealth
Windward Islands	Port-of-Spain	Commonwealth
Yemen	Beirut	Asia and Middle East
Yugoslavia	Belgrade	Europe
Zambia	Nairobi	Commonwealth

New England: a Good Test Market

From his four years' experience in Boston, Mr. Dale writes of the market there as he sees it—and suggests that greater Canadian interest in it would be fruitful.

M. R. M. DALE, *Consul and Senior Trade Commissioner, Boston.*

AS YOU ARE READING THIS, sales in New England at retail are ticking over at the rate of $120,000 a minute—over $50 million a day. The Trade Commissioner in Boston asks you whether you are satisfied that you are obtaining a fair share of this market or are you missing this opportunity?

On my arrival in New England, I was amazed at the trade prospects and the breadth of the market. This feeling turned to bewilderment when I found that we were chiefly concerned with finding sources of Canadian products. There I was, for the first time in many years, close to Canada and in a market that can really buy Canadian products—yet in many ways farther removed from our Canadian sources of supply.

Many Canadian manufacturers do not seem to realize that:

1. The New England market is large and vital and offers a potentially important and continuous demand for Canadian products.

2. Our office in Boston is there to help turn this potential market into an actual one.

3. The important role in all this is that of the Canadian supplier. He must come to the marketplace and market his products—and market them in the full sense of the word.

Market Is Varied

The New England market, where retail sales exceed $16 billion, is unique in many ways. Apart from our historic trade in lumber and fish, there is a demand for consumer goods as varied as women's nightwear and components for a vehicle to put a man on the moon.

And this market is right on Canada's doorstep. Within 500 miles of the largest Canadian production centres lies the Greater Boston metropolitan area, hub of a distribution centre serving New England's 11 million people. It ranks as one of the largest and wealthiest markets in the United States. The Greater Boston metropolitan area alone has a population of 3.2 million and it is the third largest wholesale centre in the United States. It also is the focal point for five continuous metropolitan districts with a combined population of about six million.

The standard of living in this area is high. Per capita income is 13 per cent above the national average. Annual retail sales in Greater Boston total $4.7 billion and retail sales per capita are among the highest in the country. Boston exceeds all but two United States cities in volume of goods sold at wholesale. New England as a whole in terms of buying power outranks all but one of the eight other geographical areas of the country. Why not come and see it for yourself? There is no substitute for top-level, on-the-spot appraisal of a prospective export market. Personal acquaintance with the potential, problems, procedures and customers can spell the difference between success and failure.

The New England market, like all United States markets, is not an easy one. On the one hand there are requests for commodities and yet almost immediately, on the other hand, it appears impossible to find someone who will admit interest. Perhaps most important from your point of view is the fact that, like all the U.S. markets, it is consumer-oriented. Great attention is paid to presentation, to packaging and to advertising. It is a market in which everything is being done to make it easier for the consumer to buy.

Consumer Is Receptive

I can assure you that although agents, distributors and buyers are busy and professionally demanding, they are receptive to Canadian products and to Canadian businessmen who come well prepared to sell. They are anxious, almost desperate, for new resources, new products, new sales in their dynamic and exceedingly competitive and complex market.

There are five officers in the Boston office of the Trade Commissioner Service and our commodity work is divided accordingly. Our files indicate demand, varied demand, and in most instances difficulty in obtaining supplies of products like lumber and furniture, Christmas trees, holly and peat moss, leather and shoes, fencing nails and ceiling tiles. Boston has been selected by NASA as the centre of its great research program and the electronics industry that has grown up during the years offers a great number of opportunities for Canada. New England also offers a substantial market for a wide variety of industrial and consumer manufactured products. In the consumer goods field and particularly the range of goods sold in retail stores—from hams to hockey sticks—the New England market is already an important one for Canadian manufacturers. The constant stream of requests for new sources of these goods which pours into our office indicates clearly that the demand is not being met. There is also the grocery store trade, the fishing industry, sporting goods and recreation equipment, and garments. Department store buyers in Boston are usually anxious to see a Canadian with merchandise to show.

It is important, therefore, to be in a position to offer saleable commodities, and by "saleable" I mean commodities that are appealing, available and can be sold at a profit. In this, the motivation of American buyers is no different from yours.

The question is, can we in Canada meet the demand? Often demand springs from following the success of one firm in the field. For example, one Canadian company sells nails successfully in New England and we receive inquiries from other potential customers not covered by the original distribution. Yet, curiously enough, we are not able to find another producer able to export.

The key therefore is you and your ability to export. You must recognize that there is a vast difference between being long-term exporters and mere disposers of surpluses. This policy, this determination to export, must be transmitted from the top, right through to the man in charge of your export sales. It is not enough to leave it in the hands of the general sales manager, nor is it any longer feasible to send the occasional salesman to New England to try to get rid of some excess production.

Of course, selling is involved. The formula of selling may vary with the product, but the essentials remain the same—persistence, energy, imagination, and a saleable product. Good selling is essentially a creative function, integral to all management. It is not merely a way to distribute what has been produced. Competitive selling is more than a way of slicing up the pie. It is a way of increasing its size as well. It is important to remember that people buy, and for a number of reasons. The major reason is that they are sold on the item. The positive approach is still the best and the hardest part of selling is still ringing doorbells.

There is no mystery about exporting or about export markets. However, it is a science and the market must be scientifically studied. Market research is just as important to the exporter as design engineering is to the producer of gravity-defying structures, be they bridges or brassieres.

You must know what the market requires. You must familiarize yourself with marketing and merchandising methods, advertising, labelling, packaging, presentation, and perhaps most important of all, you must study costing for export, a science all its own.

When you have done all this—when you can present your product with confidence—come to Boston. Come with the right product, come with the right selling price. COME! and we shall be glad to help you ring doorbells.●

How to Sell Consumer Goods in New England

The mass merchandisers hold a big share of this market, but the Canadian exporter should not bypass the independent retailer.

HERBERT B. STEARNS, *Commercial Officer, Boston.*

THE CANADIAN FIRM thinking of entering the New England market has the opportunity of choosing from a wide variety of sales and marketing approaches. With careful thought and planning, he can tailor his sales program to fit this territory and thus establish his product and win sales.

Mass Outlets

New England is an area of mass merchandising outlets—including the traditional department stores with many suburban branches, discount operations, and giant premium or mail order firms. The discount stores and chain operations had their U.S. beginnings in the state of Rhode Island, where to this day there are more discount houses per square mile than in any other area. These huge complexes of buying power are characteristic of the major metropolitan areas such as Boston, Worcester, and Springfield, Massachusetts. The buying power of the large department stores and discount chain operations offers a huge volume potential and possibly a short cut for those manufacturers seeking to fill their export requirements in a short space of time with a few centrally located accounts.

Before attempting to channel a sales and merchandising program towards these firms, the producer should consider the following factors.

1. These outlets will frequently pressure the vendor for pricing and advertising advantages and sometimes these advantages prove to be beyond what price schedules will allow. At the least, the per unit profit to the manufacturer is greatly reduced.

2. The giant buying complexes require, for the most part, extended term and dating privileges. Despite excellent financial ratings, many discount and major department stores have records of rather slow payment to the vendor. This is not a happy situation for the smaller producers who often depend to some extent upon fast payment on standard terms.

3. Policies of heavy price-cutting by some of the major discount firms

Soon this branch of a New England discount chain will be thronging with customers. Canadians with consumer goods to sell may find that the independent outlets are a better market for their products. Competition is less keen, but aggressive salesmanship and service are still necessary.

can prove injurious and in certain instances totally destructive of a product image.

4. The giant firms often show lack of loyalty to a supplier in the event that the competition offers lower prices—a difficult problem. This changing of suppliers by a volume operator can result from a difference of only pennies in the wholesale price structure or perhaps arises from some minor advantage in terms which a competitor may offer to win favour with the account.

Independent Retailers

The Canadian manufacturer might at this stage wish to bypass the giant metropolitan-type firms or choose to include them as part of a much wider or more highly developed marketing scheme. There is, however, a distinct and separate market in New England as an alternative to the outlets described above. The nature of the New England territory and the many regional differences in buying habits—particularly in Maine, New Hampshire, Vermont and Western Massachusetts—fortunately provide one of the largest varieties of independent dealerships in the United States. The problems encountered by the manufacturer in his dealings with the large metropolitan firm are far less when selling, for example, to the independent retailer in Maine or the other areas just described. These independents include: appliance and "brown goods" (television and home entertainment products) dealers, furniture stores, Western Auto independents, hardware-housewares stores, jewellery stores, drug and cosmetic dealers, and a multitude of others.

A particularly interesting type of outlet common to these regions is the independent general merchant. This category of retailer has many variations and it is not uncommon to find a large, well-rated clothing store in Brewer, Maine, offering a separate department within the store which displays the latest model television sets, phonographs, radios and small appliances. In a town in Aroostook County, Maine, there is an independent merchant whose ultramodern hardware store competes favorably with the stores of his big-city counterparts. Unlike his big-city counterpart, however, he is also the town mortician and funeral director. This merchant has the largest percentage of television sales, all other home entertainment products, and major appliances among many competitors in the town.

A survey taken several years ago by one of the leading regional trade journals indicated that there are approximately 6,000 independent appliance retailers in the New England territory. There are an equal number of independent outlets for furniture, hardware-housewares, drug-cosmetics, jewellery, giftware and musical instruments. Great volume is achieved by independent stores which do not fall into any of the above-mentioned special categories but tend more towards being general merchants. For example, pawnshops in New England sell as many guitars and musical instrument accessories as do the musical instrument stores. Tobacco jobbers do a sizable business in radios, tape recorders, and giftware.

These firms are not as widely solicited by vendors as are the large metropolitan retail enterprises. The result is that vendors to these firms find less competition and a minimum of pressure from the owners and buyers to obtain profit-destroying pricing and advertising advantages. Rates for the smaller city and town newspaper, radio and TV advertising media are far less than the rates for metropolitan advertising media.

Most of these independent retailers are known for their continuity and loyalty to suppliers and many of them take great pride in the prompt payment of invoices. A significant number of them actually treasure the 1 or 2 per cent 10-day cash discount and will boast about their use of this procedure to suppliers calling upon them for the first time. I do not intend to imply that there are no slow payers or even bad accounts among these independent retailers, because an exporter will soon discover the usual small share of such accounts. The credit advantage to producers selling to this segment of the trade is simply that they can select from thousands of possibilities throughout the large territory. This is an opportunity that the metropolitan markets do not usually afford.

Although it would be naive to claim that discount operations and discount practices by some independents have not begun to develop in these regions, it is safe to say that this is not a great problem. Thousands of these retailers in hundreds of towns and cities throughout New England maintain full factory-suggested retail prices.

Distribution Channels

The Canadian manufacturer in his formulation of marketing programs geared to serve any individual segment or combination of the New England markets should concentrate heavily on an initial source of distribution. The three most common approaches to building a New England market are:

1. Soliciting orders directly from the retail outlet without continuity of service to these accounts. Because of geography, lack of communication and other limitations, this is the least desirable approach. The most desirable first approach for a Canadian manufacturer is to visit the New England market, talk to buyers, and then decide on his marketing program.

2. Selecting wholesale distributors to take over the marketing of the products to the retailers. There are excellent wholesale distributors of all kinds of consumer products in New England.

Some of the larger ones are located in Boston and other metropolitan areas and they offer coverage of discount houses, department stores, mail order firms, premium companies, and independent retailers throughout the entire New England territory. In addition, there are many regional distributors in the territory itself and they cater for the most part to independent retailers in a particular region of New England. These regional distribution firms offer more concentrated service and give thorough coverage to many more accounts in a smaller area than do the large New England distributors. In Maine alone there are approximately eight hardware-housewares distributors and a similar number of wholesalers of home entertainment products, jewellery items, giftware, stationery products, and other consumer goods. Most of them do a fine job by concentrating their efforts exclusively in Maine and New Hampshire. Similar distribution firms specialize in the Western Massachusetts and Vermont regions. One large and highly rated hardware distributor maintains a seven-man sales force and covers only Aroostook County, Maine, plus two counties in Vermont.

3. Selecting an independent manufacturers' representative who will either determine the marketing program independently or in conjunction with the manufacturer.

These independent representatives and representative agencies work on a per cent commission. For most Canadian manufacturers they appear to offer the best method of distribution. Once appointed, they will carry on for their principals the sales and marketing of the product to every segment or combination of the wholesale buying trade. These representatives are generally knowledgeable about pricing, packaging, sales promotion, advertising, industry trends and in fact the entire field of sales and marketing techniques. Finally, they will endeavour to develop business with wholesale distributors and with all possible types of outlets within the retailing structure. Their sales activities are directed towards all important accounts located in the major metropolitan markets as well as to those independent retailers and distribution firms located in the territory.

For the Canadian manufacturer, the New England market can provide unique opportunities. Prior planning with the Trade Commissioner can result in a program to ensure best use of the manufacturer's time during his first visit to the market and can provide the greatest opportunity for successful marketing of his product line in New England.●

Beirut Business Magazine Features Canada

THE FIRST ISSUE of a new quarterly, 100-page business magazine came off the press in June in Beirut, Lebanon. Designed to promote trade between Canada and the oil-rich markets of the Middle East, the *Journal* is sponsored by the Canada-Middle East Chamber of Commerce. It is distributed free, by post, to all leading government officials, businessmen, bankers and investors in the following countries: Kuwait, Saudi Arabia, Iraq, Lebanon, Syria, Jordan, United Arab Republic, Bahrain, Qatar, Dubai, Abu Dhabi, Sharjah, Ras El-Kaima, Fujaira, Ajman, Om El-Quaiwan, Muscat and Oman, Aden, Hadramout, Yemen, Sudan, Tunisia, Algeria, Morocco, Turkey, Iran and Cyprus.

Circulation and distribution are supervised by the office of the Commercial Counsellor for Canada in Beirut which, in co-operation with other Canadian trade offices responsible for this area, compiled most of the names on the distribution list. Press run for the first issue was 6,000; expected circulation of the next edition, scheduled for August 10 release, is 10,000 copies.

Only Canadian advertising is accepted; ads will be translated into Arabic, if desired, free of charge. For information on advertising rates, write, call or wire: Canada-Middle East Journal, P.O. Box 3299, Beirut, Lebanon; phone: 251502, cable: Journal.

The *Journal* has sections in English and in Arabic; the publishers intend to bring the Arabic section up to at least 50 per cent in future issues. The June issue contained a variety of articles on Canada —its trade with the world and with the Middle East, its industrial growth, its way of life, and EXPO 67. It also carried messages from the Minister of Trade and Commerce and the Canadian Ambassador to Lebanon. Canadian consulting engineering services will be featured in the August issue. To coincide with an Ontario Mission to the Middle East, the theme of the third issue will be Ontario as a source of goods and services and as an investment market. ●

ARAMCO Buys World-Wide

Oil companies in the Middle East need many supplies in addition to drilling equipment and machinery. Arabian American Oil purchases both through local importers and through its own offices.

I. V. MACDONALD, *Commercial Counsellor, Beirut.*

ARAMCO is a household word throughout the Middle East. The Arabian American Oil Company has probably been the greatest single influence on the trend of petroleum production in the Persian Gulf area, with output there rising from 8.1 per cent of the world total in 1945 to 33.3 per cent in 1965, taking over first place from the United States.

Standard New Jersey, Standard California and Texaco have each a 30 per cent interest and Mobil has a 10 per cent interest in ARAMCO, which exemplifies the efficiency and productivity of North American business methods. The company is the largest industrial employer in Saudi Arabia with a staff of 13,000, 80 per cent of whom are Saudi Arabs, many of them in professional or supervisory positions. Although ARAMCO's business is the extraction, refining and marketing of petroleum products, its social awareness has led it into a wide range of programs in education and development. These have had a profound influence on the people of Saudi Arabia's Eastern Province where ARAMCO's activities are centred.

Encourages Local Agents

The company has also helped to encourage the development of a local commercial community in the Dharan-Damman-Al Khobar area where its headquarters are. For several years, it has purchased part of its requirements through local agents, a policy which has been well received both by the Government and local businessmen. Traders and merchants have been encouraged to take on representation of overseas suppliers so that ARAMCO's purchases may be made through Saudi nationals who can also provide the local servicing facilities. ARAMCO spent U.S.$67 million on local purchases from some 300 companies.

The policy of purchasing through local agents and distributors is now well-established; Canadian companies should therefore have representation in the Eastern Province if they want to be kept informed of ARAMCO's requirements and other sales opportunities in the rapidly growing Saudi Arabian market. The Commercial Counsellor, Beirut, will be pleased to suggest suitable Saudi agents.

Major Purchases

ARAMCO makes major purchases in consultation with its own overseas engineering and purchasing offices. For the most part, requests for offers are made only to "approved sources". As for Canada, in the words of an ARAMCO official, "Any Canadian company wishing to have itself established as an approved source for materials which ARAMCO purchases would have to undertake its initial development work with our Purchasing and Traffic Department in New York . . . since it is the responsibility of this department to develop new competitive sources in the United States and Canada for any major purchases." The person to contact is: C. C. Watson, Manager, Purchasing and Traffic Department, 505 Park Avenue, New York 22, N.Y. He is responsible for purchases from prime manufacturers in the U.S. and Canada.

The ARAMCO official told me: "ARAMCO is definitely interested in purchasing materials which are manufactured in the areas in which our product is marketed and this definitely implies that we are interested in the development of any source of supply in Canada which is able to offer products to our specifications at competitive prices. Mr. Watson's department would be most interested in discussing possible purchases from Canadian sources with any Canadian manufacturers who choose to send their representatives to his office for this purpose."

What ARAMCO Buys

ARAMCO's requirements for its petroleum exploration, development, refining and transportation services include such items as: geophysical equipment and services; valves, pipes and fittings of many types; hardware; telecommunications equipment; aircraft; vehicles; electrical products; air-conditioning equipment; furniture; office equipment; drilling supplies, equipment and services (including offshore drilling equipment); packaged foodstuffs; construction materials and services, marine and harbour equipment, and portable buildings; safety clothing, and innumerable other items needed for the administration and operation of an integrated oil complex.

The company undertakes a drilling program with its own resources and footage in 1965 totalled 348,000 (including a wildcat well at the northern fringe of the Empty Quarter which proved dry). Wells are also drilled for gas and water injection to maintain reservoir pressures.

ARAMCO has recently completed a two-berth sea island in deep water a mile northeast of the Rastanaura Marine Terminal. This was designed to handle the largest supertankers and adds 500,000 barrels a day to the terminal's loading capacity.

ARAMCO agriculturalists, farmers and poultry experts give assistance to local agriculture. Exploration for oil has yielded data on water resources and indicated large quantities of underground water throughout northeastern Saudi Arabia. The company builds schools under an agreement with the Saudi Government, assists in the development of medical services and medical research, and provides interest-free loans for home construction—over 6,000 units have already been constructed under its home ownership program. All of these activities create a market for imported products and services which Canadian companies could profitably explore. ●

What's current in commodities?

Grain and Oilseeds

Israel — **Canadian wheat sales are dropping but shipments of feed barley are rising fast. Flaxseed is also finding buyers.**

S. G. HARRIS, *Commercial Secretary, Tel Aviv.*

ISRAEL is well known as a major exporter of agricultural products. Its citrus is world famous; its avocados, early season potatoes and carrots are popular in the European market. Despite this, its agricultural exports only slightly more than balance its agricultural imports. A very large item on the import bill is grain of all kinds.

About two thirds of this country is desert and over the whole area rainfall is confined largely to four short months from December to March. Even then, it sometimes scarcely rains at all. Most of the agricultural land is irrigated but this is usually considered too valuable for the extensive cultivation of grain, when citrus and field crops bring greater returns. Domestic grain production is therefore confined to dry farming methods in semi-desert areas in the central and southern regions and depends entirely on the vagaries of the winter weather. Annual production figures fluctuate widely and so do import needs.

Wheat Market Changing

Israel's wheat requirements currently total about 340,000 long tons a year. Of this, an average of 150,000 tons is produced domestically, but this figure is highly variable because of the uncertainty of the weather. In recent years it has run as high as 200,000 tons and possibly as low as 75,000. Imports, therefore, vary anywhere from less than 200,000 to 250,000 tons per year. For some years now Israel has been able to obtain half this amount from the United States under PL480 and has purchased the remainder commercially on the world market.

Traditionally Canada has been a small supplier of wheat to Israel, but recently our sales have diminished. Several factors appear to be operating against Canadian wheat sales in this market. One is the improvement in Israel's wheat production following the introduction a few years ago of new strains of Mexican wheat varieties which give a higher yield and at the same time a harder variety of wheat than previously. As a consequence, there is less need for quality Canadian hard wheat in Israeli mills for mixing to produce a satisfactory bread flour. Cheaper and lower quality Argentine and United States wheat have taken over almost the entire commercial wheat market. In 1964 Canadian wheat sales were nil and in 1965 they consisted of one boatload valued at $750,000. With ample supplies available from Canada and less abundant wheat in the United States and elsewhere, there is reason to hope that the situation may be reversed in 1967. The long-run prediction, however, is not encouraging for sales of Canadian hard wheat.

Feed Grains Needed

Of the total fodder requirements of Israel's livestock, less than 20 per cent is provided by the country's sparse pastures. There is consequently a heavy reliance on feed grains for fodder and, significantly, about 75 per cent of these must be imported. Yearly fodder requirements are roughly as follows:

	Total	Imports
Milo	225,000	185,000
Corn sorghum	190,000	185,000
Barley	125,000	60,000
Bran	75,000	
Oilcakes	190,000	190,000 (from soybeans)
Other (citrus pulp, beet pulp, etc.)	90,000	

The largest part of the milo, corn sorghum and soybeans comes from the United States, much of it supplied under PL480. Our efforts to introduce Canadian rapeseed into Israel, in competition with soybeans, have so far foundered on two points. The first is a technical one: Israeli oil-extraction plants are reluctant to change their processes to accommodate rapeseed. The second is the product balance between oil and oilcake. Israel needs a high proportion of oilcake as fodder and soya produces more cakes than a similar quantity of rapeseed and is consequently preferred.

Canada's biggest breakthrough in this market has been in the supply of feed barley. In 1965 the first Canadian shipment of 2,889.4 tons was made and in 1966 Canada supplied virtually all of Israel's barley imports by obtaining a contract for 110,000 tons valued at just short of $7 million. This unprecedented purchase arose as a result of a very poor crop after the 1964-5 winter, when there was no rain at all in many parts and domestic production dropped from an average of 60,000 to only 15,000 tons.

A long-range factor which may indicate good future prospects for Canada in the Israeli barley market is the fact that farmers are finding it more profitable to sow the new high-yielding varieties of wheat than barley. Normal production of barley appears to be falling in favour of wheat. Traditional barley suppliers to Israel, such as Cyprus and Turkey, are also facing increased domestic demand and so have less and less to export. The prospects for the domestic barely crop in 1967 are good and production should total about 60,000 tons. Nevertheless, Canada stands a good chance of continuing to supply barley to Israel in future years, even if the quality is lower than the 1966 purchases.

Canada also sold over $500,000 worth of flaxseed to Israel last year.

This is used in the production of linseed oil for the domestic paint industry. During 1966 Israel for the first time became a paint-exporting country and linseed consumption and Canadian flaxseed sales have increased in consequence.

Thus, although Canadian wheat sales to Israel seem to be diminishing, a substantial and probably a continuing market for feed barley is opening up. This shows promises of equalling or exceeding our best wheat exports in past years and as livestock and poultry production expands, fodder requirements will increase. In addition, Canadian flaxseed seems well established in this country and sales should continue to show modest year-to-year gains. ●

Delicatessen Products

Britain—**Greater sophistication, higher incomes, and foreign travel have increased British interest in unusual foods and delicacies. This article tells how this trade is organized and suggests some gourmet foods that Canadians might offer for sale in this market.**

B. M. FILLMORE, *Commercial Officer (Agriculture), London.*

THE DELICATESSEN TRADE in Britain is distinctly separate from the ordinary food business, because it involves specialist importers and distributors, different types of outlets, and special methods of handling. The trade, although import oriented, does not produce many statistics; the difficulties that Customs officials have in classifying such items as rostbratwurst, ratatouille or ragu sauce can be imagined.

There has been a considerable awakening of interest in delicatessen in Britain in recent years. After a period of comparative stagnation aggravated by postwar austerity, the trade was given impetus by the growing numbers of immigrants to Britain, particularly from the Commonwealth. They brought with them their local customs and tastes, from which developed a demand for hitherto unknown or exotic products, which were quickly supplied by resourceful specialty importers.

The current reduction in the immigration flow might have tended to limit the scope for expansion in the delicatessen market. However, continued prosperity and improved living standards have made tours abroad possible for people in a much wider range of wage groups. Despite temporary foreign travel and exchange restrictions in Britain, almost the whole of Europe is at its doorstep. In their search for sunshine and something different, the British have acquired a taste for the national foods of their favourite holiday spots. What may be a national dish of one country becomes delicatessen in Britain—and good business for numerous people along the chain of supply and distribution. Because of this tourist boom, delicatessen products in Britain are mainly of European origin.

Trade Is Compact

The delicatessen trade comprises some 55 firms of importers and manufacturers. Its essential difference from general food merchandising is that, whereas the latter caters to the general public in mass outlets with high volume turnover on lower price margins, the delicatessen trader sells a multiplicity of products to a large number of small specialty outlets, on a much higher markup (30 per cent is average). This is justified by the uneconomic type of special handling involved. A feature of this trade is that part cases will be supplied because of the special nature of the products, slower turnover, and shorter shelf life.

Although this is essentially an import-based industry, a few specialty food producers have also become well established in Britain. They are mainly subsidiaries of large food manufacturing corporations. Some major wholesaling groups also have a stake in the specialty market through subsidiary suppliers.

There are no statistics on the number of delicatessen outlets in Britain. A recent survey by the Economist Intelligence Unit states that there were an estimated less than 500 stores in 1947, and about 800 by 1958; growth has accelerated since that time with the general easing of restrictions. There may now be between 2,500 and 3,000 shops specializing in delicatessen or with a wide range of such foods, but the precise number is not known.

Expansion into Supermarkets

The large department stores in London and other main centres, with their own food departments of a very high standard, have always in a sense been in the delicatessen business. The small specialist stores are mostly in suburban areas and are beginning to feel the competition of supermarket chains. These chains, catering to a public whose tastes are becoming more sophisticated and discriminating, are tending to stock more delicatessen products and several hundred supermarkets now have complete departments for these specialties.

This incursion by the large chains into the specialty field has not been without its administrative and technical problems. Some products with limited shelf life do not lend themselves to the supermarket style of selling, there is a shortage of staff with technical knowledge, and stock control is difficult. Generally the supermarket delicatessen is regarded by the specialist as the layman's version of the real thing. One particular chain, however, has surmounted some of the problems by inviting a delicatessen firm to run a specialty department for it on a concessionary basis; this practice will tend to increase in the future.

How Trade Is Distributed

Initially delicatessen was based on the immigrant population, with the majority in the London and southeast area. Sales have remained higher in these areas, but with settlement of some immigrant groups in Midland and northern towns, sales in these areas are rising also. It is now estimated that 53 per cent of sales are in the southern counties and 35 per cent in the Midlands and northeast. In Scotland only 4 per cent of sales are made, but with its sparse population, it could be argued that the Scotsman is just as delicatessen-minded as his cousin south of the border. Now that tourism is the most influential factor, this variation of demand will become less apparent in the future.

Most importers in the trade are small firms which do not have national distribution and use existing wholesale organizations or rail and other public transportation services. By virtue of this, the more perishable items (meats, salmon, cheese, etc.) tend to be handled by larger firms, mainly processors themselves, with their own distribution and refrigerated truck deliveries. Experience has shown that there are some problems in introducing imported frozen delicatessen lines because of this lack of suitable refrigerated distribution among the smaller specialist companies.

This well-stocked delicatessen counter typifies the new vogue in Britain. The foods are mostly imported. The taste for some of them was acquired during holidays abroad, but the British generally have become more venturesome in their eating.

Other Factors in Expansion

Several factors are responsible for the broadening of the market for delicatessen in Britain. Apart from immigration, tourism, and the developing interest in self-service and supermarket stores, major manufacturers have transformed some foreign national foods into firm favourites at home. A classical example is that of pasta products, now available on any grocery shelf in many forms as canned convenience meals. Pizza and other Italian foods have also achieved prominence as well as cooking vegetable oils, olive oils, etc. The full range of specialty meats and sausages might daunt the ordinary grocery or supermarket manager; most stores outside the delicatessen field, however, carry a limited range of fancy cooked and smoked meats and sausages. Similarly, smoked salmon and shellfish delicacies are available in more diversified outlets. These luxury products, which were formerly confined to the hotel and catering trades, can now be purchased by housewives in their local stores, a development which has been fostered by the large British fishing groups and which reflects the greater purchasing power of consumers.

Trade Association Formed

The Delicatessen and Fine Foods Association (Fine Foods is a recent addition to the title) has fostered the interests of its members, both importers and manufacturers, since 1959; wholesalers are also included and associate membership is granted to retailers. The basic annual subscription is $32.00. Present chairman is J. W. Fenn, General Manager, Cradock Manners Ltd., London; W. R. Kern is Secretary. The aims of the association are to "further assist manufacturers, importers and distributors to interpret their products and to assist the wholesale, retail, multiple and co-operative trade in the education aspect of these products, and to help these people to pass on their knowledge to the consumer."

Large retail groups have also shown increasing interest in membership in DAFFA, which has led to retail management training courses being organized throughout Britain; this in turn will give greater prominence to the specialty trade.

DAFFA regularly sponsors the Delicatessen Exhibition, which in March 1967 returned to its original venue at the New Horticultural Hall, London. This is essentially a trade show and was a great success, with 8,843 visitors, seven eighths of whom were connected with the trade. There were 31 exhibitors, including Rumania, Norway and Germany. Several Canadian products were displayed and the Canadian Government has exhibited in previous shows. The next show is scheduled for 1969, when Canada might consider official participation if sufficient interest from processors is forthcoming.

It seems inevitable that delicatessen sales will continue to expand in Britain in the next few years and that, with extension to more conventional types of outlets, the British consumer will be exposed to gastronomic delights along a much broader front. In the process, the small pure delicatessen store may encounter more competition but because of the special expertise it offers, it will always be a desired institution. The chairman of DAFFA recently stated "the trend is nothing to worry about. After all the trade has achieved something—it has raised tastes and improved the standard of living in Britain."

Scope for Canadians

Through regular contact, specialty importers are becoming aware that Canada has an important delicatessen industry, similarly developed by and for the immigrant element in its population. A few Canadian lines are already being sold in this market, but there is scope for further exploration if quality and continuity can be guaranteed. The recent British relaxation of pigmeat controls may provide opportunities in the specialty meats and sausages field, where quality and flavour are more important than price. (In any case, many products have tariff advantages under Commonwealth preference.) The pasta, cheese, and Asian foods market appears to be well covered, although there could be interest in special types of complete meals in this category. Britain prefers to import frozen salmon and smoke it locally to supplement Scotch salmon, but other fish delicacies would prove of interest, as well as premium or special quality honey, maple syrup, toppings, and dressings for the more discriminating gastronome. The range of delicatessen is so wide that the best general advice to give is that, if a producer is interested in export and feels he can meet the stringent requirements of the British market, he should consult the Agriculture and Fisheries Branch, Department of Trade and Commerce, Ottawa, or write to the Agricultural Counsellor, Office of the High Commissioner for Canada, 1 Grosvenor Square, London, W.I., England, who will be glad to provide specific market information on his product, and advise on labelling and composition requirements. ●

trade lines

Swedish builders use more aluminum

Consumption of aluminum in Sweden last year was 20,000 tons, compared with an annual consumption of 2,000 tons fifteen years ago. To keep pace with the increased demand, mainly in the building industry, Svenska Metallverken and its subsidiary company, Svenska Aluminiumkompaniet (Sako), have invested Can.$35 million in expansion—Stockholm.

Italians get international brewery

The SKOL International Group, which includes John Labatt Ltd. of London, Ontario, Allied Breweries of London, England, Henniger Bräu of Germany, and the Compagnia Generale Alimentare of Milan, has formed the S.p.A. Henmed, with a registered capital of Lire 500 million (Can.$850,000). The firm recently completed a new brewery at Ceccano, near Frosinone (south of Rome), to produce 100,000 hectolitres of "Skol" beer annually. Cost of construction totalled Can.$2.55 million—Rome.

Foreigners like Volkswagens

Despite a year-end slump in domestic demand, Volkswagen, Germany's biggest industrial firm, reported record consolidated earnings of 10 billion DM (Can. $2.7 billion) for 1966. Foreign demand for the German automobile more than cancelled out the slackening in domestic sales. During 1966 overseas VW sales were as follows: America 571,000; Europe 335,000; Africa 39,000; Asia 28,000; Australia and Oceania 6,000—Bad Godesberg.

West Germans buying less abroad

Weakened domestic demand leading to smaller imports has been partly responsible for West Germany's highest trade surplus in history. Imports for the first quarter of 1967 totalled Can.$4,440 million, down from Can. $4,890 million in the same period last year. Meanwhile, exports rose from Can.$5,118 million in the first quarter of 1966 to Can.$5,610 million in the same period this year. The net result was a surplus of Can. $1,170 million, compared with Can.$228 million in the first quarter of 1966—Bad Godesberg.

Desalination at half the price

Three Ljubljana University professors have devised what is said to be a simple method of converting salt water into drinking water at half the cost of any present distillation process. Using a freezing system of pipes and mixing apparatus which separates the drinking water from the salt concentrate, the new design produces a valuable high-concentrate salt residue as a by-product. The pilot plant has been operating at the

Koper Salt Works, and improved models are to be erected elsewhere on the Adriatic. Two other plants on the drawing-board include a smaller type to be used on ocean vessels and a plant to supply fresh water for agricultural or tourist needs—Belgrade.

South Africa processes whale catch

During the 1966 season, South African whalers caught 3,220 sperm whales and 1,033 baleen whales off their coast. The catch yielded 3,249 tons of baleen oil, 12,477 tons of sperm oil, 9,939 tons of meal, 703 tons of meat extract, and 578 tons of fresh meat. Baleen oil is used for margarine, tanning leather, and as an additive for paints and varnishes. Sperm whale oil is used primarily in lubricants for precision tools, rock drills, aircraft engines, refrigerators, etc., as well as in candles, lipstick and other pharmaceutical products. Meat from the baleen whale is exported for both human consumption and pet food. A new whale meat-processing plant has been built at Durban and Japan alone is expected to import 2,000 tons a year for human consumption—Cape Town.

More fertilizer plants for West Pakistan

American Cyanamid and Adamjee Sons Ltd. of Karachi are building a urea plant in West Pakistan. The Pakistani company will provide 45 per cent of the total cost of $5 million. A superphosphate plant will be built at Karachi, financed by Compagnie SIAPE of Tunis, Jaffa Industries of Karachi, and Kuwait—the first such joint venture; SIAPE and Jaffa Industries will invest $10 million and Kuwait $2 million. The plant is expected to be in production by 1969 and will turn out 150,000 tons of superphosphate a year—Karachi.

Trinidad sets up shoe industry

The Government of Trinidad and Tobago has granted Pioneer Industry status to three local shoe companies, provided they each install machinery capable of producing at least 7,500 pairs of boots or shoes of any type a month. One company is already producing women's dress shoes in leather and plastic tops. The two other companies plan to make rubber shoes, slippers and canvas shoes with rubber soles towards the end of 1967.

Canada sold 45,613 pairs of shoes to Trinidad in 1966, with women's and children's footwear in the lead. Our exports to this market should not be affected by local manufacture in the short term—Port-of-Spain.

British consumer can buy disposable clothing

Disposable clothing of synthetic and natural fibre with plys of paper tissue is now available to the British consumer at prices competitive with cheap Spanish and Portuguese cotton, which today enters the market at between 19 and 23 cents a yard, unbleached and unprinted. One firm is now producing a disposable line at 12 cents per yard unprinted and 30 cents per yard printed. Five other British and U.S. companies are preparing to enter the market—London.

Germans gamble on life insurance

The average West German possesses far less life insurance than his counterpart in other industrial nations. A survey by the German insurance industry indicates that life-insurance coverage in the Federal Republic averages 2,207 DM per person—less than in any comparable Western European country except France (2,050 DM) and Italy (510 DM). Germany is in the lower third of the international ranking, with average per capita coverage in the U.S. eight times higher and Sweden's coverage six times higher.—Bad Godesberg.

More rubber tires for Greece

The Greek Government recently approved the construction of a $12 million rubber tire plant to be built by Goodyear Tire and Rubber Corporation. After operations begin in about 30 months, Goodyear plans to invest an additional $2.5 million in the production of other rubber products, including packaging material. The only rubber tire plant now in operation, built in 1960 at Patras by Pirelli, supplies 40 per cent of Greece's rubber tire requirements. Imports ($9 million in 1966) make up the balance—Athens.

Czechoslovakia to import more consumer goods

Czechoslovakia's 1967 Economic Plan calls for a 12 to 13 per cent rise in imports of consumer goods. Czechs will be able to buy more nylon stockings, overcoats, footwear, synthetic fibre clothing, furniture and appliances—Vienna.

Argentine wheat situation deteriorates

Recently the Argentine Government announced that because of scarcity of supply, exports of wheat were to be prohibited, but that second-quarter requirements for Brazil under the existing Argentine-Brazilian Agreement would be met. It now appears that the 117,000 metric tons involved may not be available, forcing the trade to purchase wheat elsewhere to satisfy contractual commitments—Buenos Aires.

Apple warehousing to be expanded in Chile

It is reported that the Chilean Government Development Corporation plans a new apple packing plant with a capacity of 1.7 million boxes a year and a refrigeration plant and warehouse with a capacity of 250,000 boxes in the Curicó district. Construction is expected to take place over the next two years at a cost of E°6 million and U.S.$385,000. The project will expand current refrigerated warehouse capacity in the area which is set at almost 500,000 boxes—Santiago.

Chile improves airport

Plans are reportedly being drawn up for the second stage of the new International Airport of Pudahuel. To cost about 3.5 million escudos, it involves paving the ends and sides of the runway, and enlarging the passenger terminal and also the cargo warehouse to provide more room for the international police and Customs. The main international passenger terminal is to be designed later. A third stage, also being planned, will include building a second runway of 4,000 metres parallel to the first—Santiago.

More aircraft registered in Germany

West Germany had 2,327 aircraft registered at the end of 1966, of which 1,950 were single-engined aircraft. The number of commercial aircraft over 5.7 tons rose from 93 in 1965 to 105 in 1966. More flights were made and more passengers carried. About three-quarters of the passengers travelled to Europe; long-distance air travel also increased—Duesseldorf.

Yugoslavia has new steel rolling mill

Built with the participation of 20 foreign and domestic enterprises, the new mill of the Skopje Iron Works will produce steel plates for the shipbuilding and the heavy machine construction industries. It can turn out plates up to 3 metres in width, 24 metres in length and 8.01 mm. in thickness.

The 1967 production of sheet is expected to reach 70,000 tons and in September imported steel for rolling will be replaced by steel from the eight blast furnaces of the Skopje Works—Belgrade.

Yugoslavia plans oil pipeline

An oil pipeline from Bosanski Brod to Vukovar is to be built by a consortium composed of INA of Zagreb, Naftagas of Novi Sad, the Pancevo chemical works and the Bosanski Brod oil refinery. To be completed by October 1969 at a cost of Can.$59 million, the pipeline will extend from Bakar, near Rijeka, to Pancevo, near Belgrade. Yearly capacity of the line will be 17 million tons of oil from Bakar to Sisak and 8 million from Sisak to Bosanski Brod—Belgrade.

Brazil to have nylon fibre plant

The Celanese Corporation in New York has announced the formation of a new company, Celfira-Fibras Quimicas do Brasil Ltda., which plans a $7 million nylon fiber plant in São Bernardo do Campo—São Paulo.

Mexico cuts back safflower production

Safflower seed production is expected to decline in 1967-68 to 111,800 tons because the land will be used for other crops, primarily wheat. The 1966-67 crop is estimated at 233,000 tons—Mexico, D.F.

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: 992-1366.

A. B. Brodie, Consul General and Trade Commissioner in Milan, Italy, August 24-31.

C. M. Forsyth-Smith, Commercial Counsellor in Rio de Janeiro, Brazil, September 11-15.

Geo. Hazen, Consul and Trade Commissioner in New York, August 21-September 1.

Y. C. Jauron, Commercial Secretary in Moscow, U.S.S.R., August 14-25.

H. M. Maddick, Commercial Counsellor in London, England, September 15-29.

D. A. B. Marshall, Commercial Counsellor in The Hague, Netherlands, August 21-26.

S. B. McDowall, Assistant Trade Commissioner in Johannesburg, South Africa, September 12-18.

H. W. Richardson, Trade Commissioner in Cape Town, South Africa, August 3-16.

J. A. Stiles, Commercial Counsellor in Sydney, Australia, September 4-8.

R. G. Woolham, Trade Commissioner in Hong Kong, August 1-11.

In Territory

Norway—D. B. Browne, Assistant Commercial Secretary in Oslo, will visit Bergen August 6-12.

Republic of China (Taiwan)—E. L. Bobinski, Consul and Assistant Trade Commissioner in Manila, Philippines, will visit Taipei August 5-19.

Zambia—J. B. McLaren, Commercial Secretary in Nairobi, Kenya, will visit Zambia August 5-13.

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 commimtents. 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.

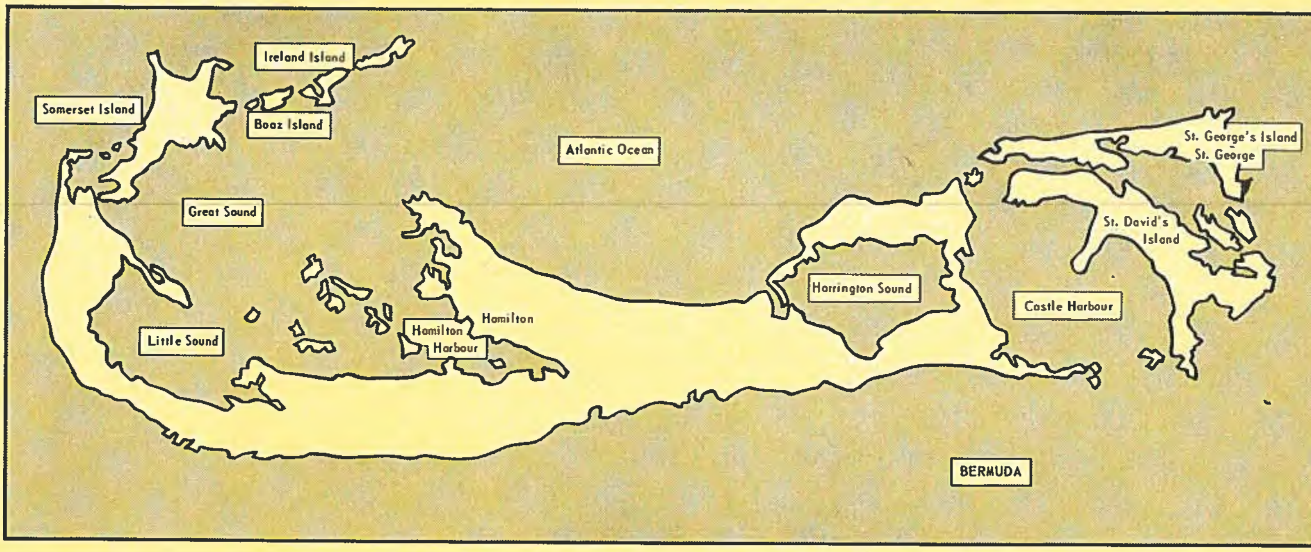
Country and Currency	Value of Foreign Currency unit in Canadian dollars at July 25	Value of Canadian dollar in foreign currency units at July 25
Algeria		
Dinar	.2200	4.54
Argentina		
Peso (free)	.0031	322.58
Australia		
Dollar	1.20	.8333
Austria		
Schilling	.0418	23.98
Bahamas		
Dollar	1.051	.9514
Belgium and Luxembourg		
Franc	.0218	46.25
Bermuda		
Pound	3.002	.33
Bolivia		
Peso	.0897	11.16
Brazil		
Cruzeiro (official free)	.3987	2.50
Britain		
Pound	3.002	.33
British Honduras		
Dollar	.7500	1.33
Burma		
Kyat	.2263	4.41
Ceylon		
Rupee	.2251	4.44
Chile		
Escudo (bank rate)	.2140	4.67
(free)	.1910	5.23
China, Republic of		
New Taiwan Dollar (official)	.0233	42.92
Colombia		
Peso (intermediate)	.066	14.95
Congo, Republic of[1]		
Franc	.0072	139.50
Costa Rica		
Colon	.1629	6.14
Cuba[2]		
Peso	....	....
Czechoslovakia		
Koruna	.1496	6.68

Country and Currency	Value of Foreign Currency unit in Canadian dollars at July 25	Value of Canadian dollar in foreign currency units at July 25
Denmark		
Krone	.1553	6.43
Dominican Republic		
Peso	1.079	.93
Ecuador		
Sucre (official)	.0600	16.67
(free)	.0545	18.35
El Salvador		
Colon	.4310	2.32
Fiji		
Pound	2.704	.37
Finland		
Markka	.3367	2.97
France, Monaco, etc.[3]		
Franc	.2200	4.54
Franco-African Republics[4]		
Franc	.0044	227.79
French Pacific[5]		
Franc	.0121	82.64
Germany		
D Mark	.2696	3.71
Ghana		
New Cedi	1.056	.95
Greece		
Drachma	.0360	27.86
Guatemala		
Quetzal	1.079	.93
Guyana		
Dollar	.6254	1.59
Haiti		
Gourde	.2155	4.64
Honduras		
Lempira	.5388	1.85
Hong Kong		
Dollar	.1876	5.33
Hungary		
Forint (official)	.0921	10.86
Iceland		
Krona (official)	.0251	40.00
India		
Rupee	.1428	7.00

Country and Currency	Value of Foreign Currency unit in Canadian dollars at July 25	Value of Canadian dollar in foreign currency units at July 25
Indonesia[6]		
Rupiah	....	....
Iran		
Rial	.0143	69.93
Iraq		
Dinar	3.017	.33
Ireland		
Pound	3.019	.33
Israel		
Pound	.3592	2.78
Italy		
Lira	.0017	581.86
Japan		
Yen	.0030	335.37
Kenya		
Shilling	.1402	7.13
Lebanon		
Pound (free)	.3356	2.98
Malaysia		
Dollar	.3520	2.84
Mexico		
Peso	.0864	11.61
Morocco		
Dirham	.2155	4.64
Netherlands		
Florin	.2996	3.33
Netherlands Antilles		
Florin	.5714	1.75
New Zealand		
Dollar	1.495	.67
Nicaragua		
Cordoba	.1539	6.49
Nigeria		
Pound	3.002	.33
Norway		
Krone	.1507	6.63
Pakistan		
Rupee	.2251	4.44
Panama		
Balboa	1.079	.92
Paraguay		
Guarani (free)	.0089	112.36
Peru		
Sol (free)	.0402	24.94
Philippines		
Peso (free)	.2750	3.63
Poland		
Zloty (fixed basic rate)	.2706	3.69
Portugal & Colonies[7]		
Escudo	.0375	26.66
Saudi Arabia		
Riyal	.2066	4.84
Sierra Leone		
Leone	1.501	.66
South Africa		
Rand	1.501	.66
Spain & Dependencies		
Peseta	.0180	55.55
Sweden		
Krona	.2092	4.78
Switzerland		
Franc	.2496	4.00
Syria		
Pound (free)	.2832	3.52
Tbailand[1]		
Baht (free)	.0522	19.25
Tunisia		
Dinar	2.068	.49
Turkey		
Lira	.1199	8.35
United Arab Republic		
Pound (official)	2.478	.40
United States		
Dollar	1.079	.92
Uruguay		
Peso (free)	.0118	84.74
Venezuela		
Bolivar (official free)	.2399	4.17
West Indies		
Dollar[8]	.6254	1.59
Pound[9]	3.002	.33
Yugoslavia		
Dinar (official)	.0864	11.63

1. Additional rates are in effect.
2. There is no trading in Cuban pesos in U.S. or Canadian banks at present.
3. Franc is also used in French Guiana, Guadeloupe and Martinique.
4. 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.
5. New Caledonia, New Hebrides, French Polynesia.
6. Because of the complexity of the Indonesian exchange rate system, it is impractical to quote a single representative rate for the rupiah.
7. Approximately same rate for Portuguese territories in Africa.
8. Barbados, Trinidad and Tobago, Leeward and Windward Islands.
9. Jamaica.

Markets in Brief



BERMUDA

Area: 22.5 square miles.

Location: 580 miles due east of North Carolina, U.S.

Climate: Sub-tropical, with average temperatures (October to March) 66°F.; (July to September) 79°F. Rainfall approximately 56 inches a year.

Population: The resident population in 1965 was 48,000. In addition there are about 11,000 U.S. Service personnel, and a yearly influx (1966) of 250,000 tourists.

Language: English, also a little Portuguese.

Currency: Bermuda Government notes in denominations of one and five pounds and five and ten shillings. British metal coinage is used and the Bermuda pound sterling is pegged to the British pound.

Time: Bermuda Standard Time is four hours behind Greenwich Mean Time.

Weights and measures: Imperial standard.

Foreign exchange: U.S., British and Canadian currencies are legal tender.

Capital and chief port: Hamilton (population 4,000).

Banking: The Bank of Bermuda Ltd., Front Street, Hamilton. Bank of Butterfield & Sons Ltd., Front Street, Hamilton.

Business hours: 9 a.m. to 5 p.m. Monday through Saturday; early closing (12 p.m.) Thursday.

Economy: Tourism is the major industry, accounting for 90 per cent of Bermuda's economic activity.

Income: Bermuda's per capita annual income, one of the highest in the world, is over Can. $2,250.

Imports: Total imports in 1965 were Can.$61 million.

Chief suppliers: (per cent) U.S. 50, Britain 20, Canada 10.

Chief imports from Canada: (Can.$'000) vitamins and preparations 900, fresh and frozen meats (including sausages) 556, furniture 431, wheat flour 255, structural shapes 225, whisky 218, insulated wire and cable 190, soup 140, jewellery 125, sugar 125, vegetables 113.

Hotel market: Manufacturers of institutional furnishings should establish direct contact with the hotel proprietors in Bermuda, as their purchases are often made without preference for products represented locally.

Transportation facilities from Canada: Airlines—Air Canada serves Bermuda from Montreal, Toronto and Halifax. Shipping companies—Saguenay Shipping Company and Royal Netherlands Steamship Lines serve Bermuda from Montreal and Halifax.

Motor vehicles: Passenger vehicles 7,500, trucks 1,500, motorcycles 15,000.

Radio and television: Radio sets 22,000; television sets 12,000.

Marketing: Bermuda has several well established import-distributor companies, which market a wide range of products. Large retail buyers can often offer sales coverage for the whole colony.

Import duty: Import duty is payable on most goods. To qualify for the Commonwealth preference rate, goods must have at least a 25 per cent Commonwealth content.

For detailed information on the Bermuda market write to:

Canadian Consulate General,
Commercial Division,
680 Fifth Avenue,
New York, N.Y. 10019.

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

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