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COMING—YUGOSLAVIA OFFERS AN INVITATION TO TRADE, SEPT. 16 ISSUE

The ceremonial changing of the guard by the Royal Bahamas Police Band delights visitors to Nassau.

Booming Bahamas Mean Business

Tourists are flocking to these islands, new hotels are going up, the Government plans to build hospitals and schools and develop communications. Alert Canadian companies should seize resulting opportunities to sell foodstuffs, building materials, and equipment.

D. I. DITTO, *Assistant Commercial Secretary, Kingston.*

SOME THINK OF THE BAHAMAS as the Monte Carlo of the Caribbean; others consider it as a land of beaches and bikinis; still others see it as one of the business centres of the West Indies. But to the Canadian exporter, the Bahamas is a country that offers much more: a rapidly expanding economy where a wide range of Canadian products and services could be sold.

Tourism continues to be the mainstay of the Bahamian economy. In fact, over 90 per cent of the business activity in the Bahamas is based on tourism, and tourism is booming. From a modest beginning of only 32,000 visitors in 1949, the tourist count continues to soar. The 17th consecutive annual record was set again last year when 822,000 people, mainly from the U.S. and Canada, visited the Islands. Close to 900,000 visitors are expected in 1967. Over half the visitors stopped in Nassau but the Out Islands, paced by Freeport, scored a 29 per cent annual increase in 1966 with close to 300,000 visitors.

Foodstuffs Market Large

In terms of export potential, the Bahamas, with its permanent population of slightly over 130,000, offers a sizable and growing market. In 1965, for example, these islands imported over $112 million worth of goods. The United States, only a few minutes flight from the Bahamas capital of Nassau, and Britain, with its long-established commercial and government ties with the Bahamas, continue to dominate the market. Canada, however, has a significant share of the business, with over $10 million in sales registered in 1966. The largest Canadian trade is in foodstuffs (about

$5 million). Canada was particularly successful in providing the Bahamian supermarket and hotel trades with the food products shown in the table.

CANADIAN SALES OF FOOD PRODUCTS TO THE BAHAMAS

	1965	1966
	$	$
Evaporated milk	766,349	888,500
Wheat flour	656,947	642,396
Whisky	656,222	414,390
Sausage (fresh or cured)	389,670	389,220
Sugar	369,754	372,584
Soups, soup mixes	150,954	203,504
Cheese	152,765	176,363
Fresh potatoes	138,216	172,134
Beef & veal (frozen)	73,015	61,573

Selling to Builders

Canadian exporters should find opportunities also in supplying the extensive Bahamian construction industry. During 1966, about $46 million worth of building permits were issued by the Bahamian Government—an increase of $10.5 million over 1965. More than 3,400 hotel rooms are to be built this year, 1,862 of which will be provided by five new hotels in Freeport. In addition, the $28 million Paradise Island hotel-casino-shopping development is currently under construction across the harbour from Nassau and a $10 million luxury hotel is to be built next to Freeport's newest casino. Also in Freeport, the Grand Bahama Port Authority—the body authorized by the Bahamian Government to administer the development of the Freeport area of Grand Bahama Island—has announced plans for building three championship golf courses, a $1.5 million night club, and a $3 million movie-TV studio. A $7 million pharmaceutical plant is nearing completion in Freeport and plans for future industrial expansion in that area include a 75,000-barrel-per-day oil refinery, an electronic component factory, and a plastic coatings plant.

Public Projects Planned

In the public sector, the Government of the Bahamas has announced plans for developing the Islands' economy and its social services. Heading the list is a ten-year $6 million program for expanding hospital facilities, plus construction of new schools and extensions to existing schools and technical colleges. Plans for urban renewal in Nassau and discussions on expansion of the Islands' airports and on the institution of a Bahamian TV station are under way. Extensions are also planned for the New Providence Island (Nassau) water and sewerage systems. Meanwhile construction has begun on the first phase of the U.S.-financed $20 million Nassau Harbour project and the $21 million telecommunications improvements. In an effort to diversify the tourist-based economy, the Government also intends to conduct an economic survey of potential development of light industry, fisheries and agriculture.

Agriculture Receives Attention

Some agricultural projects are already under way in the Out Islands. Owens-Illinois of the Bahamas Limited is moving its pulpwood cutting operation from Great Abaco to Andros and has started development of its $15 million Abaco sugar investment. Some 50,000 tons of raw sugar and small amounts of refined sugar will be produced in 1968. Experiments are also being carried out to see if the amount of arable land can be increased by pulverizing the limestone rock mechanically and adding fertilizers. Government officials hope that the yield of the present market-garden crops can be increased and the present relatively low income of many Bahamian farmers raised. At present there is some dairying and poultry raising on Eleuthera but nearly all the food

The luxurious Oceanus Hotel at Freeport is owned by a subsidiary of a Canadian company. In addition to the usual water sports, it offers special facilities for skin diving. This year the Bahamas will welcome seven visitors for every permanent resident.

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consumed in the Islands continues to be imported.

Shipping Services

Shipping facilities from Canada to the Bahamas are quite good, although overnight shipping from Florida and frequent services from other U.S. East Coast ports and from Britain offer stiff competition. Saguenay Shipping Limited operates a fortnightly service from Toronto, Montreal and Halifax to Nassau. The "K" Line has a monthly service on inducement from Vancouver to Nassau and Freeport. Saguenay also has a monthly service on inducement from eastern Canada to Freeport. There is also a daily trucking service from the Montreal and Toronto areas to southern Florida ports, which allows goods to be transshipped by boat to Freeport and Nassau. Delivery time given by this combined truck-boat service is about seven days. Air Canada also flies regularly to both Nassau and Freeport.

With these regular shipping facilities and the active tourist and construction boom in the Bahamas, Canadian exporters may be able to discover a new market for many of their products. The most favourable opportunities should continue to be in supplying of foodstuffs but there should also be a large market for hardware, building materials and furniture. Canadian firms interested in exporting to the Bahamas should first contact our office for a preliminary market survey and for the names of appropriate Bahamian businesses to contact about representation of Canadian lines. Inquiries should be directed to:

The Commercial Counsellor,
Office of the High Commissioner for Canada,
Dominion Life Building,
Trafalgar Road & Knutsford Blvd.,
P.O. Box 1500,
Kingston 10, Jamaica.

Canadian businessmen who are planning business trips to the Caribbean should include the Bahamas in their itinerary. These islands are booming and the boom may mean export opportunities for Canadian companies. ●

Speeding Service to the Caribbean

CANADIANS catering to the consumer goods market in the Bahamas and the Caribbean generally have a number of advantages over their competitors, including the Commonwealth preference. But they sometimes lose out to United States suppliers because the latter can offer speedier service—day-long sailings from Florida to Nassau or Freeport, for example.

To overcome this disadvantage, many Canadian exporters are making use of the daily service by truck from Montreal and Toronto to West Palm Beach and Miami, Florida. Begun three years ago by Florida Refrigerated Service Corporation, a Canadian company, it makes possible faster deliveries not only to the Bahamas, but by connections with ocean carriers to practically all the Caribbean except Cuba, and to some parts of Central and South America. And because the trailer is delivered intact to the customer (the goods move in bond), pilferage, water damage, and other hazards are minimized or eliminated. Domestic packaging can be used; in fact, it is preferred.

Here is an example of how the service can speed delivery. A merchant in Freeport, the Bahamas, phoned a Sherbrooke, Quebec, supplier of evaporated milk to say that he was out of stock and must have an order post haste. The trailer was loaded at Sherbrooke on Good Friday, driven to Miami over the Easter weekend, and put on a vessel for the Bahamas. The evaporated milk was on the store's shelves when it opened for business on Tuesday morning.

Florida Refrigerated Service was launched in 1965 with the purchase from the Canadian owners of Florida Frozen Food Express, which carried frozen citrus concentrate directly from Florida to large grocery firms in central Canada. These trailers were returning to the U.S. empty and the new company set about getting business for this backhaul. They succeeded so well that today some two million pounds a month are moving from Canada into this area via Florida ports. Exporters of foodstuffs, liquor, footwear, dry goods and hardware are included among its clients, but the trucks also carry at times material urgently needed for construction jobs. In general, this method of shipment means for the importer, less need to stock large quantities and for the supplier, a chance to compete in delivery terms as well as in price and quality. ●

Ten Steps to Success in Mexico

I. Ask the Canadian Trade Commissioner to conduct a preliminary market survey.

If you are wondering about your chances of doing business in Mexico, let us do a preliminary investigation for you. If you will provide us with literature, prices and all other pertinent details about your products, we in turn will provide you with information on the acceptability of your product in this market, tariffs and possible import restrictions, competitive items now being offered for sale (either imported or manufactured locally), and suggestions on how your products might be introduced into this market.

II. Visit Mexico for yourself.

Mexico City is only 4½ hours and $200 away from Toronto. Assuming our preliminary survey is encouraging, you should visit Mexico. We will gladly arrange for you to see potential customers, agents and government officials. Because most business is concentrated in Mexico City, a visit of three or four days is normally enough. Apart from being an interesting commercial market, Mexico is a fascinating place to visit.

III. Appoint a good agent.

Despite the proximity of Mexico, it is essential to appoint a local agent. We consider the selection of suitable representatives for Canadian companies one of our most important functions and we will be pleased to help you choose a good agent. You should keep in mind that "know who" is as important as "know how".

IV. Correspond in Spanish.

If you are seriously interested in getting into the export market and staying in it, you must be prepared to adapt to local conditions. Many Mexicans speak English and most Mexican companies have translation facilities. But there is still no doubt that a letter written in Spanish is much more acceptable and effective. Furthermore, a letter written in Spanish can be answered in Spanish and this will result in your receiving a more useful and quicker reply. Mexican companies and government offices are not noted for their rapid handling of correspondence and a language problem adds to delays.

V. Study the import regulations carefully.

As in most countries, Mexican import regulations are complex and cannot always be taken at face value. You should examine the import tariffs and regulations applying to your product carefully to ensure that you are receiving the most favourable treatment possible under the law.

VI. Invite key Mexican buyers to Canada.

The cost to you of sending a salesman to Mexico is no greater than the cost of bringing a Mexican buyer to Canada. However, the impact of bringing the purchaser to you is far greater. Especially if yours is a product difficult to send as a sample, you will earn big dividends by bringing potential customers to Canada to see your facilities and your products. If you have confidence in your products, make sure that your visitor talks to some of your customers. Don't wait for a sale before extending the invitation.

VII. Be ready to incur sales expenses commensurate with the potential profits.

For many reasons, sales expenses in Mexico are often higher than at home. Don't let this scare you, because profit margins are also higher. Be prepared to offer your agent the going commission, be prepared to translate your literature into Spanish, be prepared to visit your customers and to have them visit you. If you are not prepared to spend money to enter this market, you may wait forever.

VIII. Be prepared to exercise patience about current prospects in view of long-range possibilities.

Mexico is a country of 43 million people. The population is growing at an annual rate of 3.6 per cent and the growth in the GNP has averaged 6 per cent over the last few years. There are no foreign exchange controls and no restrictions on repatriation of funds. Surely a market of this size and promise is worthy of current sales investment, even if immediate opportunities are not exciting.

IX. Be willing to consider some Mexican participation in your operation.

The Mexican Government is making a determined effort to promote the industrialization of this country. To do this, attractive incentives are offered to companies established with Mexican majority financial control. In addition, local manufacturers receive substantial tariff protection. For various other reasons, Mexican partners are most desirable. Even if you are successful in exporting finished products to Mexico, you should watch developments here carefully and be willing eventually to consider some type of assembly or manufacturing operation. If you wait until a competitor takes this step, it may be too late.

X. Abide by this advice and expect to be successful!

—R. A. KILPATRICK, *Assistant Commercial Secretary, Mexico, D.F.*

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Delmar Diversifies Products —and Markets

Diversify your products and you can also diversify and expand your markets. But you may find that you will have to diversify your marketing methods also. That has been the experience of a Montreal firm, Delmar Chemicals Limited.

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

OVER TWENTY FIVE YEARS of manufacturing and selling fine chemicals to the pharmaceutical and feed industries has brought Delmar Chemicals of Montreal a good measure of success. It has achieved a major part of that success outside Canada because from its beginning in 1941 the company realized that it must export its products in order to survive. In 1954 *Foreign Trade* ran a story about Delmar's export activities. The company continues to find export profitable and today some 70 per cent of its production goes to foreign customers. Initially, it looked for these in Latin America and then moved on to Western and Eastern Europe and the Middle East. Now it also has customers in the Far East, Africa, Australia and New Zealand.

The years have brought both a widening of its markets and a broadening of its product line. Delmar's continuing growth made the need for more space acute and in October 1963 it moved into new office and plant facilities. In the same year, Delmar Chemicals became a wholly-owned subsidiary of John Labatt Limited and merged with Labatt Industries, but retained the Delmar name. Labatt Industries manufactured feed additives and pre-mixes; these too the firm now sells abroad.

Beginning in Latin America

As producers of raw materials for use by manufacturers of pharmaceutical specialties, the company looked initially for business in countries with at least a rudimentary drug industry. Prospects were explored in Latin America since these markets were not too far away. They had very little indigenous fine chemical production and to some extent were orientated towards North America. Eventually, steady customers emerged in almost all Latin American countries. To look after them properly and to develop their business further, Delmar decided to employ its own export sales representative, who now travels throughout this area for a good part of each year. Bilingual in Spanish and English, with a background in pharmacy and extensive experience of the Latin American pharmaceutical industry, he maintains first-hand regular contact with customers and agents which Delmar considers essential.

The representative visits customers to help them with their problems, introduces new products and solicits business. The orders that result from these calls are processed through the agents or distributors. For, as Eric Spencer, Delmar's export manager, makes plain, the role of the head office representative is to assist the local agents, not to replace them. Equally important, the representative motivates and guides agents and distributors towards the goals that Delmar sets for itself in each area.

Tackling European Markets

Once its business in Latin America was fairly well established, Delmar turned to European markets where selling posed different problems. Fine chemical production is well developed in a number of European countries and competition is keener. Patent laws in some areas are strictly enforced, as in Canada. These factors, combined with the generally more sophisticated nature of the European pharmaceutical industry, makes innovation the means of entry for a small company. In these markets, Delmar's selling emphasis is on pharmaceutical chemicals of its own development or for which it has invented new and independent methods of production, which it can protect with patents. The marketing of such products and processes calls for a different approach to that employed to sell more competitive products, where price is often the overriding factor. The pharmacological efficacy of the products and the inventiveness or economy of the new process are more likely to be the keys to success. Sometimes Delmar licenses these developments on a royalty basis; occasionally it sells a process outright.

These developments flow from Delmar's own research efforts. For a small company, a surprising amount of its resources, facilities and personnel are devoted to research and product development. For many years, this activity was mainly orientated towards pharmaceutical chemicals. Now, this area too has been diversified. Novel applications for enzymes in the food industry are being developed in new research facilities that include a complete cereal laboratory. In addition, Delmar maintains a research farm

Handling the company's European business is the responsibility of A. I. M. van der Hoorn (left), who also covers the Middle East. Here he is reviewing stocks of Delmar feed supplements with members of the firm that distributes these in the Netherlands.

devoted to studies relating to poultry and animal nutrition.

In Europe also the company has found it necessary to appoint its own export sales representative. The European representative is based in Brussels and speaks English, Dutch, German and French. He covers both Western and Eastern Europe and the Middle East.

In these European markets tariff barriers loom large. In Britain, for example, the preference granted to EFTA suppliers about cancels out the advantages of the Commonwealth preference that the Canadians enjoy. In the EEC countries, the common external tariff has meant that, on highly competitive items, Delmar must reduce prices to compete with local producers.

Selling Feed Supplements

Some 50 per cent of its export business is now contributed by the other side of Delmar's production—vitamin supplements for animal feed. However, soon after the merger with Labatt Industries in 1963, the Delmar people discovered that the export sales methods that work for pharmaceutical chemicals do not necessarily sell animal feed supplements. The customers are different and they want a different type of service. Most of them are feed manufacturers or livestock raisers who manufacture their own feeds and who often prefer to buy from local stocks, rather than place an import order with a local agent. The answer is a distributor who will carry stock for his own account and generally service the local buyers, as well as undertake promotion work. Delmar's existing pharmaceutical chemical agents, working on a commission basis, were usually not equipped for such a role and suitable distributors had to be located, particularly in the major European markets. As a result, in a number of countries Delmar now has both an agent promoting pharmaceutical chemicals as well as a feed supplement distributor. Mr. Spencer fully expects this diversification of marketing outlets to continue as new products emerge from Delmar's research program that are designed for sale to industries not covered by present agents.

Promoting Sales

Over the years Delmar has established a network of exclusive agents and distributors throughout the world. By now there are 67 in 53 countries; the diversification of its product line often calls for more than one outlet in a country, each handling a different group of products. It is through these that export sales are achieved. The selection of the right agent or distributor is vital to the promotion of the rather specialized products that Delmar manufactures. Very many of these local representatives have been located with the help of the Canadian Trade Commissioners.

These local agents are supported by Delmar representatives in the two most important markets: Europe and Latin America. In addition, Mr. Spencer makes extensive trips abroad twice a year to brief agents and distributors and to prospect new markets. Here again, the Canadian Trade Commissioners give invaluable assistance by providing market information in areas where the firm has not traded before.

Even though by this means Delmar's direct contact with customers is intense, a good part of its sales effort depends on correspondence and the dissemination of technical information about the products it sells. The company has staffed its Export Department with multilingual secretaries and now corresponds regularly in French, Spanish, German, Italian and Portuguese. The call reports from the representatives indicate the language in which letters should be written. These facilities allow it also to turn out technical information sheets in the language to suit each area.

The promotion of new products can be extremely time-consuming. To introduce new pharmaceutical chemicals in some countries may mean setting up pharmacological and clinical trials in order to comply with local food and drug regulations. It is not unusual for two years to elapse between the first discussion with a customer and the first order.

Competition? In the pharmaceutical chemical industry there is plenty of it. To make headway requires quality products, as well as fast and efficient service. Scrupulous attention to export techniques and to relations with agents and distributors, flexibility, and careful study of the characteristics of differing markets have paid off for Delmar, as the sales figures prove. In the last two years its exports have risen spectacularly; in 1965 it exceeded its objective of a 125 per cent increase in export sales and in 1966 achieved another 40 per cent gain. In the current year a further 50 per cent increase is forecast.

One problem Delmar still has to decide—when and where to set up manufacturing facilities outside North America; the company has already established a subsidiary in the United States. In overseas markets where domestic production and tariffs are closing out imports, opening branch plants may be the only answer. But Delmar will study this situation closely before making this important decision. Meantime, it's business as usual—and that business is good. ●

Heady Cheer from Chile

CHILE was the first country of the Americas to produce and export wines. The original vines were, it is said, brought into the country by the Spanish Conquistadors. Over the years these vines deteriorated and only one of the originals exists today—Pias, a hardy stock, still grows in southern Chile.

Chilean wines as they are known today were first produced in the mid-nineteenth century from grapes introduced by French experts, and French wine-making methods still dominate in Chilean production. Growing conditions in the warm Chilean climate suited the French vines and in the 1870's full-scale production began. About the same time, bottled wines were exported to countries along the Pacific coast.

The Chilean wine industry is now an important sector of the economy, earning foreign exchange and providing employment for 55,000 workers. Wine-growers number about 31,000. Some 330 own their own vineyards, but only 200 participate in wholesale markets.

Wine-making represents almost 12 per cent of total agricultural production. Seven per cent of all cultivated agricultural land (some 111,000 hectares) is devoted to vine growing. This has not increased appreciably since 1938 when 104,000 hectares were planted. There are two main reasons for this small increase—wine-growers have resisted the temptation to plant higher-yielding but lower quality stocks, and government restrictions have made additional planting or replanting difficult.

The central region is the most productive area, with the greatest quantity and highest quality of wines. From the southern area wines of lesser quality are produced, and in the north only Pisco (a grape brandy) has sales value.

Wines were originally classified under French names but the Chilean trademark soon gained world recognition and is now used widely. The Bordeaux types are the most famous.

Red and white table wines account for more than 90 per cent of the total wine output. Sweet fortified wines, cognac, vermouth, and champagne (sweet and dry) are also produced but in small quantities, as are small amounts of better quality wines. The majority of wines are sold either in bulk or in carafes and only about 5 to 7 per cent of total production is bottled. Production figures during 1960 to 1965 varied from 290 million to 550 million litres a year.

In 1942, Vinos de Chile S.A. (Vinex), a government agency, was formed by the Chilean Development Corporation to stimulate wine exports. This organization maintains storage warehouses and permits the use of its export brand name under certain prescribed conditions. Exported wines are examined at the port of exit by inspectors of the Advisory Board of Exterior Commerce to see that these are at least one year old and adequately clear.

Chile exported over five million litres of wine in 1965 worth some U.S. $784,555. Exports of bottled wines amounted to only 13 per cent of the total and were mainly shipped to the United States and to other LAFTA countries. Bulk wines were exported in large quantities to Germany and Belgium and in smaller amounts to other European countries and Ecuador. Bottled wines bought by Canada were valued at U.S.$6,375. No great increases are expected this year.

Compared with some countries, Chile is lagging in wine production methods, mainly because of the lack of modern processing equipment, the high cost of bottling, increased production costs, government-controlled export prices (often not profitable), and labour troubles.

A certain amount of technical research in seed selection, fertilization, and new vine varieties has been carried out by government agencies. The Catholic University has also made limited investigations.

As part of a national program to develop the industry further, the Chilean Development Corporation recently announced a loan of U.S.$239,000 to six wine producers to provide equipment for plant modernization. An additional loan of E°4,823,000 to five wine-growers' co-operatives in the southern-central area has been approved. These loans are expected to assist in doubling production.

—CAROL SIMS, *Office of the Commercial Counsellor, Santiago.*

Selling to Department Stores in the South

Here is a lively sales area which Canadians might do well to explore. Consumer products of all kinds could be introduced into this $1.5 billion market but potential suppliers should first understand the methods of merchandising and buying that are followed.

J. B. WHITNELL,
Commercial Assistant, New Orleans.

VIRTUALLY UNTAPPED by Canadian manufacturers are a number of major and medium-sized department stores in southern United States. Located in twenty cities dotted throughout ten states, they are similar in management structure and buying procedure.

The market offered by internationally known stores such as Neiman-Marcus in Dallas and Rich's in Atlanta are well worth the effort required to capture a share of it. Products of interest include clothing and accessories, food delicacies, sports equipment, giftware, appliances, record players, radio and television, housewares, and furniture. Design changes in some Canadian products might be necessary because of regional variations in climate and tradition.

Purchasing for national chain stores, such as Sears and Montgomery Ward, and variety stores comparable to Kresge's and Woolworth's, is done through central offices located away from New Orleans and therefore has not been included in this article.

Purchasing Channels

Whether the store is locally owned or part of a regional or national chain, purchasing is usually under the jurisdiction of a general merchandising manager. Traditionally, store merchandise is divided into two classifications: hard lines (home furnishings, appliances, radios, etc.), and soft lines (wearing apparel, accessories, jewellery, etc.), each headed by a divisional merchandising manager.

Reporting to these managers are buyers of individual products. For example, a ladies' ready-to-wear merchandising manager may have under his supervision buyers for coats, furs, sportwear, and junior miss clothes. A home furnishings merchandising manager may supervise rug and carpet, linen and drapery buyers.

When purchasing, merchandising managers and buyers are unanimous in emphasizing that design and quality are as important as price, although price is the basic criteria for high-volume items. However, in other items, especially wearing apparel, luggage, sports equipment, and giftware, quality and design are paramount within certain price ranges.

Occasionally a buyer may find certain purchase orders questioned by a higher authority but usually he is free to buy according to his own judgment. As he is responsible for purchasing and merchandising, he therefore stands or falls on his own performance.

In addition to buying from local distributors and visiting salesmen, buyers go to arranged markets in New York, Chicago, Los Angeles, Dallas, and Atlanta. These regional or national markets may last for several weeks, when hundreds of exhibitors display their products in permanent or temporary showrooms or booths. Here buyers look for new items and reacquaint themselves with regular suppliers.

Marketing Setup

When he is in New York City, a buyer will check in with his chain store head office and/or his store's resident buying office. Although many stores have buying offices in their own localities, a large number also use the services of resident buying offices in New York, Chicago, Los Angeles, and overseas. Arrangements with a resident buying office vary from purchasing *carte blanche* to buying products in a particular category. Sometimes the buyer's attention is directed to new items considered interesting to his own market.

The fact that a branch store in the same chain, or a store using the same resident buying office, has bought a certain product which is selling sucessfully does not necessarily mean that a store in another area will also buy that product. This is particularly true of southern stores, where variations in climate and regional differences are notable.

Most major cities in the southern U.S. are sufficiently far apart to be subject to different conditions and influences. As an example, Dallas and Forth Worth are only forty miles apart, yet they differ widely in taste. Nevertheless, a buyer might be interested in a product bought by a branch store or competitor if it is adapted to local requirements. A large number of department store buyers in the South have held similar positions in stores elsewhere in the country and therefore have a wide knowledge of trends and conditions.

Market Opportunities

Managers of medium-sized department stores may not go to national markets as frequently as those from larger stores, because of limitations in budget and personnel. Instead they tend to buy at regional markets. Buyers from women's specialty shops and hardware stores and sports goods distributors are among those who may attend the same markets as large department stores. They may also belong to buying associations geared to their particular needs.

Many Canadian buyers attend markets in New York, Chicago, and Los Angeles, with some success. These trips could be made more profitable if attending companies notified the local office of the Department of Trade and Commerce of their intention to participate. Appropriate local stores could then be alerted and buyers would be encouraged to see the Canadian displays.

Goods imported from Britain, most Western European countries, Israel, Taiwan, Japan, and Hong Kong sell well in southern U.S. department stores. A number of import fairs sponsored by local department stores have been held in New Orleans. Those at Neiman-Marcus in Dallas, Maison Blanche in New Orleans, and Rich's in Atlanta have been particularly successful. Products from one country, several countries, or even from around the world are featured.

Some time ago a trip to Montreal to buy handbags was arranged by this office for a Houston department store. This resulted in firm business relationships between several Montreal companies and the Houston store. In 1966 it was noticeable that an increasing number of southern U.S. department stores bought Canadian handbags. The quality and competitive prices of these goods are now general knowledge among U.S. handbag buyers.

The problem created by delays in clearing Customs and the prepaying of U.S. duty when making shipments cannot be over-emphasized and should be fully considered by would-be exporters. Firm delivery dates are also essential and so are delivered prices Dallas, New Orleans, Miami, Atlanta, etc., with U.S. duty included.

Follow-up personal visits to the South personally or by an agent and keeping the New Orleans office or department stores informed of your participation in U.S. trade shows are vital. Department store buyers change jobs frequently, which could mean a hard-won account is lost if too much time elapses between personal visits or contact with agents.

Canadian manufacturers interested in exploring department store markets in the Southern States are cordially invited to send us catalogues, samples, and price sheets (indicating the f.o.b. point and whether U.S. duty is included). A personal trip south is, of course, the best way to evaluate the market. Some Canadian companies have done this and have been reasonably successful. Alert the Department of Trade and Commerce office in New Orleans if you wish to visit the South and we will be pleased to offer help and information. ●

How LAFTA's Trade Is Moving

STATISTICS on trade among the nine countries of the Latin American Free Trade Area show a 7 per cent increase in 1966 over 1965 but also indicate a definite levelling-off in trade expansion. Intrazonal exports during 1966 totalled approximately $678 million. The most interesting improvement in this intrazonal trade was the increase in Mexico's sales from $36.5 million in 1965 to $56.5 million in 1966, at a time when Mexico's total exports to the world declined. Expansion of trade among the LAFTA members was growing at an annual rate of better than 10 per cent until the fourth quarter of 1966, when a sharp slowdown occurred. There is every indication that this slowdown has continued into 1967.

The nine countries report that exports to all destinations totalled $6,877 million in 1966, an increase of 7½ per cent over the previous year. While this shows a continuation of the rise in total exports by the nine countries, it also shows that the group has not yet succeeded in bringing its intra-area trade to more than 10 per cent of its total exports, after five years of exchanging preferential trade treatment among themselves.

Import statistics show that in 1966 the LAFTA members increased their purchases from sources outside of the area quite sharply. The 1966 total of $6 billion represents a 15 per cent jump over 1965, which indicates that Latin America found it necessary to increase its purchases of material and equipment from outside the LAFTA area.

The outstanding increase in imports occurred in Brazil which, recovering from balance-of-payments difficulties, purchased over $400 million more from the rest of the world in 1966 than in 1965. But practically every member of LAFTA has expanded its imports.

Although Venezuela joined LAFTA in 1966, it did not conclude tariff negotiations in 1966 with the other LAFTA members and therefore has not granted nor secured preferential rates of duty. As of August 1967 Venezuela still had not brought the tariff negotiations to a conclusion; consequently the full impact of Venezuela's membership in LAFTA is not yet known.

Bolivia signed the Treaty of Montevideo early in 1967, but has not yet entered into tariff negotiations with the other members.

Canadian participation in the growth of imports into the LAFTA countries in 1966 is shown in the following chart. It will be noted that, including Venezuela, Canadian exports to the ten countries increased by 16 per cent over the previous year.

Canadian Exports to LAFTA Countries*

	1964	1965	1966
	(millions of dollars)		
Argentina	26.9	32.7	39.5
Brazil	23.0	17.5	21.2
Chile	12.9	10.5	12.3
Colombia	21.3	17.4	25.4
Ecuador	5.7	4.7	3.0
Mexico	65.1	51.0	52.1
Paraguay	0.5	0.2	0.1
Peru	10.7	21.9	36.4
Uruguay	5.7	3.3	4.8
	171.8	**159.2**	**194.8**
Venezuela	64.1	73.0	76.0
Bolivia	1.0	1.7	2.1
	236.9	**233.9**	**272.9**

*Including Venezuela and Bolivia.

—B. S. SHAPIRO, *Commercial Counsellor, Montevideo.*

What's current in commodities?

Consumer Goods

Central America and Panama

—Canadian businessmen may be neglecting a worthwhile market in this six-country area, where local production has left gaps that our exporters could fill.

DEAN J. BROWNE, *Assistant Commercial Secretary, Guatemala City.*

HAVE YOU INCLUDED the rapidly expanding market for consumer goods in Central America and Panama in your export program? Your United States competitors for many years have placed it high on their priority lists and currently account for almost 50 per cent of the territory's imports of more than U.S.$1 billion a year. With consumer goods making up more than 35 per cent of this total, Japanese and European producers have also entered the market in force and are rapidly increasing their penetration.

Continuing publicity about the establishment of local import-substitution industries protected by high tariffs has made it easy for Canadian manufacturers to dismiss the Central American Common Market area as a declining market at best for consumer goods, if not a completely closed one. It is true that many new industries concentrate on producing consumer goods and it is true as well that opportunities no longer exist or are declining for some individual items. However, with a rapidly expanding population now in excess of 13.6 million, Central America and Panama continue to offer attractive sales prospects for a wide range of products.

On the main business street of Guatemala City, signs advertise consumer products.

Inadequate Production

In spite of tariff protection throughout CACOM, new industries have frequently been designed to supply, at least initially, the needs of only one country. This forces the other member republics to continue importing from outside the Common Market until production can be expanded or additional plants built. Even within the area, a new manufacturing plant generally produces only the most popular styles or colours of the product, leaving imports to complete the line. In many instances, local production is not even sufficient to meet requirements in the immediate region. The population explosion, combined with the increased purchasing power afforded to larger numbers of people by new employment opportunities, are adding to demand faster than plant production can be expanded.

Import Preference

In the foreign exporter's favour are difficulties over quality control which are experienced by many local manufacturers as well as a lingering status factor attached to imported products. In purchasing consumer goods, a sizable proportion of shoppers prefer to buy imported items at higher prices. Even with protective duties, the price differential may not be significant. Many industrialists perform only assembly operations locally and frequently adhere to the high mark-up, low-volume concept of marketing.

Distribution Problems Difficult

Inadequate distribution systems throughout the CACOM are posing expensive problems as well for many local manufacturers. The situation is improving but to date wholesale trade is virtually unknown in the territory. Compounding this weakness are the physical difficulties of moving goods overland to retail outlets. An inter-country trucking service is just now becoming effective and even so, highway construction delays are hindering its development. In Honduras, for example, a serviceable highway between the two major cities of Tegucigalpa and San Pedro Sula is just becoming a reality.

With many market factors still in their favour, Canadian manufacturers of consumer goods would be well advised to re-assess their market strength in CACOM and Panama during this period of changing conditions.

Foodstuffs Can Be Sold

Although imports of well known and extensively advertised brands (mainly from the United States) are significant, there are few opportunities for Canadian packers. Local processors protected by high tariffs are expanding production, improving quality and reducing prices. The successful foreign exporter was firmly established in the market long before local packers existed and continues to be supported by expensive advertising programs.

For some selected items, imports are coming in from Canada and further market penetration is possible. With generally lower tariffs and a relatively undeveloped packing industry, Panama presents a particularly promising market. Substantial shipments of wheat flour, potatoes (seed and table), canned salmon and sardines are made regularly. There is a good demand in Panama for dry salt cod at prices competitive with Norwegian and Icelandic quotations and Canadian sardines seem to be in perpetually short supply.

Canadian processors have only a small share of the growing market for powdered milk today and, although a new plant in Nicaragua will soon supply some of the requirements in CACOM, increased sales could be made with competitive prices and an aggressive marketing approach. Fresh apples from Canada have won enthusiastic acceptance in Panama and Costa Rica, with possibilities developing in the other countries as well (see Table I).

The complete range of soft and hard goods generally available in retail stores—a broad category—offers the greatest potential for Canadian exporters. Market prospects tend to vary with individual products and with particular countries but in most instances, sales can be made if Canadian manufacturers can meet aggressive world-wide competition. Panama once again offers easier access than the other countries. The greatest potential, however, is in the CACOM area and this market to date is largely dominated by U.S. exporters.

A visit to local retail outlets reveals a tremendous range of imported goods, varying from garments, glassware, jewellery and cosmetics to chewing gum, hardware items, toys, brushes, boats, pharmaceuticals, medical equipment and auto parts. Some of these items are made locally but imports still account for a good share of the market even at higher prices.

As Table II shows, Canadian exporters of consumer goods in 1965 made substantial sales of nuts, bolts, screws and washers, washing machines, razors and razor blades, toys, and medicinal and pharmaceutical products to Central America and Panama. It is also true that they could greatly increase their market penetration. Demand exists in varying volume for many other items if prices are competitive and exporters would do well to assess the sales potential of their lines in this market.

Working with Local Manufacturers

An interesting but seldom exploited possibility for Canadian exporters is

TABLE I

FOOD IMPORTS INTO CACOM AND PANAMA, 1965

	From Canada		Total Imports	
	CACOM	Panama	CACOM	Panama
	(Can.$ f.o.b.)		(U.S.$ c.i.f.)	
Wheat flour	2,160,436	102,249	5,706,301	82,347
Seed potatoes	4,303	29,828	6,529	114,963
Table potatoes	....	28,012	591	
Canned salmon	11,832	10,336	70,461	49,066
Sardines	36,911	106,791	1,042,278	621,261
Dry salt cod	....	8,550	134,680	391,977
Powdered milk	29,034	....	1,233,330[1]	3,323[1]
Fresh apples	6,621	61,642	613,510[2]	750,568[2]

(1) Powdered, condensed & cream.

(2) Fresh fruits.

TABLE II

IMPORTS OF CONSUMER GOODS INTO CACOM AND PANAMA, 1965*

	From Canada		Total Imports	
	CACOM	Panama	CACOM	Panama
	(Can.$ f.o.b.)		(U.S.$ c.i.f.)	
Nuts, bolts, screws & washers	101,537	7,034	3,009,113	505,883
Electric lighting fixtures	2,666	....	2,716,710	604,636
Domestic washing machines	20,619	3,804	724,638[1]	366,867
Razors and razor blades	21,358	11,007	768,951	186,386
Paint and varnish brushes	24,769	....	331,007	49,608
Hosiery	235	29,694	453,051	918,682
Perfumes, toilet preparations and cosmetics	....	9,862	1,122,466	2,349,644
Dolls	4,703	882	506,963	112,847
Games, toys, etc.	8,592	7,953	2,018,327	966,837
Tableware	1,884	8,916	922,267	149,229
Fountain pens, sets	1,900	....	1,085,682	298,208
Medicinal and pharmaceutical products	61,815	347,988	36,356,849	5,400,583

* Food products not included.

(1) Includes dryers & ironers.

to work directly with the growing numbers of new manufacturers. At least during their initial years, local industries are small in scale and concentrate on producing only a few models of a particular item. Canadian manufacturers could assist these companies by exporting complementary products to enable the local man's sales force to offer a complete line.

It goes without saying that good business can be developed in supplying components as the local industries expand. Much local manufacturing is chiefly an assembly operation and interest is high in obtaining new lines. An example is the considerable response generated recently by a Canadian manufacturer's offer to export lighting fixture components for local assembly.

How to Sell

Several Canadian consumer goods manufacturers have first introduced their products into this market by using large export brokers operating principally out of New York but occasionally from Toronto or Montreal as well. This approach has been successful for such diverse items as toys, women's lingerie and pharmaceuticals.

Although this may appear to be an easy procedure, experience indicates that good local agents sometimes hesitate to work with export brokers because the extra commission is frequently enough to make prices uncompetitive. This is particularly true for Canadian manufacturers who may have to pay higher freight charges than their U.S. competitors. Even if some small sales can be made, it is doubtful whether the full sales potential can be realized.

Before taking any steps, it is suggested that the potential exporter consult first with officers of the Department of Trade and Commerce in Canada. By making one telephone call, up-to-date market information will be forthcoming. If further information is required, the Canadian Government Trade Commissioner in Guatemala City will be pleased to make a preliminary market survey to determine sales possibilities for the product.

In addition to ascertaining the competitiveness of your price quotations, the survey will help to determine the best market approach. In most instances, this will be to obtain good local agents. For some products, however, an official visit to the territory by a company official to sell directly to retail outlets or negotiate with local manufacturers may be the answer. For others, export brokers may serve and, occasionally, as in the sale of garments, it is necessary only to encourage local owners of retail outlets to include your company in their foreign buying trips.

It is frequently said that Central America and Panama is a "nuts and bolts" market—that is, it takes a wide range of products (including nuts and bolts) but not in very large volume. With the exception of a few major products, Canadian exports to this territory may never reach the figures obtainable in other major markets. But all manufacturers know that sales in smaller but growing volume can contribute handsomely to over-all profits and U.S., Japanese and European exporters today are proving this point.

Canadian consumer goods manufacturers may wish to follow their example and include a study of this market in their foreign sales expansion efforts.●

Wooden Pallets

Michigan—Mounting domestic and military demands are creating opportunities for Canadian suppliers—if they quote competitive prices and offer rapid delivery, which U.S. customers expect.

V. G. LOTTO, *Consul and Assistant Trade Commissioner, Detroit.*

MICHIGAN, as everyone knows, is the world's leading producer of motor vehicles. It is perhaps not as well known that Michigan is a leading U.S. state in the manufacture of grey iron foundry items, metal stampings, automobile hardware, and machine tool accessories. Canadian firms play a major role in shipping a variety of materials to all these industries. There is, however, one trade opportunity—the supply of wooden pallets—that has only recently been actively pursued by Canadian firms.

It is difficult to estimate the value of pallet purchases that Michigan industries make each year. The wood products buyer of just one division of an automotive giant spent close to $1.5 million on pallets in 1966. A conservative estimate of pallet expenditures for all the divisions of this company is $4 million. There are, of course, three other automobile corporations whose budgets for pallets would be comparable. Foundries, stamping plants, automotive hardware manufacturers, and producers of machine tools also use large quantities of pallets.

The bulk of pallet requirements are obtained from the approximately 70 pallet plants located throughout the state. But the demand, despite the current slackening in vehicle production, is so great that buyers are procuring some of their needs from firms in the southern United States. A few Canadian manufacturers have also begun to ship across the border.

Tariff Will Drop

Canadian suppliers have been at a disadvantage because of the 16⅔ per cent duty levied on pallets, but the exchange factor on the Canadian dollar could be considered as cutting the duty almost in half. Under the recently concluded GATT Kennedy Round tariff negotiations, however, this duty will be progressively reduced to a final rate of 8 per cent. Pallets which are in use, or are to be used, solely in the shipment of merchandise in international traffic may be declared free of duty as instruments of international commerce.

The Vietnam situation has sharply increased the need for pallets and rapidly mounting domestic requirements also continue to strain the resources of pallet manufacturers. U.S. military purchases in 1966 totalled some 12 million wooden pallets. This brisk demand means that buyers are sometimes willing to pay a slight price premium if quality is exceptional and delivery dates are guaranteed.

Suppliers Are Studied

The Commercial Division of the Canadian Consulate in Detroit has surveyed most of the major pallet users in Michigan. With a few exceptions, most expressed interest in hearing from Canadian exporters of pallets who could supply them in volume at prices competitive with or equivalent to those quoted by current sources. Many were, however, sceptical about Canadian capability for handling large quantities and meeting exacting delivery dates. Lead times are sometimes as short as one to two weeks.

Users of pallets in large quantities prefer to check out a supplier thoroughly before making any buying commitments. If a supplier can demonstrate the ability to look after large volume shipments, quite often he will obtain a contract for pallets of certain specifications on a blanket basis. Specifications and a request for quotations will be sent to "approved" manufacturers only. Getting on the approved list requires procedures similar to those followed by vendors of auto parts. Before approaching a potential customer, the supplier should provide himself with the following information to be given out before or during an interview:

1. Vendor's name, address, and telephone number, plus local representative, if applicable
2. Date established
3. Size of plant
4. Number of employees
5. Principal products
6. Location of plants
7. Description of production facilities and equipment
8. Transportation facilities
9. Approximate yearly sales volume
10. Names of three representative customers
11. Financial and credit rating.

Although the use of wooden pallets has risen rapidly, prices are still remarkably low. Expendable pallets are priced at from $1.50 to $3.00 per unit, and reusable pallets sell at $4.00 to $7.00.

A firm that buys 3,000 to 4,000 expendable pallets per month provided the following specification:

36″ × 36″

9 pieces full 1″ × 4″ × 36″ long

9 pieces standard 4″ × 4″ × 4″

Deck boards are to be full 1″ lumber, 36″ long, and any width convenient to make a solid deck.

Use #10 cement-coated box nails through deck boards only. Nails through deck boards and bottom boards are to be driven into a cross grain of blocks. Nails through deck boards only are to be clinched. If the vendor has not previously supplied material based on this specification, a sample must be submitted and approved by the packaging section.

The delivered price for this pallet was $1.75.

Another company that uses 1,500 reusable double-decked pallets (hardwood) each month pays $5.25 per unit delivered.

Automotive executives are looking forward to a banner year in 1968. Wood products buyers will be scouring the continent for additional vendors of pallets, crates, skids, and also cut-to-size wood to manufacture their own pallets. Canadian exporters interested in this important market should start making their approaches now. The Canadian Consulate can provide the names of wood products buyers in all of Michigan's major industries. Why not write to us?●

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.

J. C. Britton, Minister (Commercial) in Tokyo, Japan, September 25-October 6.

R. W. Burchill, Assistant Commercial Secretary in Rio de Janeiro, Brazil, September 25-October 6.

C. M. Forsyth-Smith, Commercial Counsellor in Rio de Janeiro, Brazil, September 11-19.

J. E. Lancaster, Commercial Counsellor in Oslo, Norway, September 11-14.

H. M. Maddick, Commercial Counsellor in London, England, September 18-29.

S. B. McDowall, Assistant Trade Commissioner in Johannesburg, South Africa, September 11-15.

In Territory

United States—R. M. Dawson, Consul and Trade Commissioner in San Francisco, will visit Seattle, Washington, September 11-13, and Portland, Oregon, September 14 and 15.

Businessmen who would like this officer to undertake assignments for them should write to him at his post as soon as possible.

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H. E. Ryan, Assistant Commercial Secretary (Agriculture)

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Telex: 20198 (DOMCAN)
Territory: Malawi, Tanzania, Uganda, Zambia.

LEBANON

Commercial Counsellor
Canadian Embassy
Boîte Postale 2300
Alpha Building
Rue Clemenceau
Beirut, Lebanon

N. W. Boyd, Commercial Counsellor
R. H. M. Cathcart, Assistant Commercial Secretary
P. W. Aubin, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 250955
Telex: 652 (DOMCAN BERYT)
Territory: Aden, Iraq, Jordan, Persian Gulf area, Saudi Arabia, Syria, Trucial States, Yemen.

MALAYSIA

Commercial Counsellor
Office of the High Commissioner for Canada
P.O. Box 990
A.I.A. Building, Ampang Road
Kuala Lumpur, Malaysia

P. Stuchen, Commercial Counsellor

Cable: DOMCAN *Phone*: 89722/4
Telex: KL/TX279 (DOMCAN KL)
Territory: Brunei, Burma.

MEXICO

Commercial Counsellor
Canadian Embassy
Apartado Postal 5-364
Melchor Ocampo 463, 7th Floor
Mexico 5, D.F., Mexico

M. B. Blackwood, Commercial Counsellor
R. A. Kilpatrick, Assistant Commercial Secretary
A. D. McArthur, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 33-14-00
Telex: 000177716 (DOMCAN MEX)

NETHERLANDS

Commercial Counsellor
Canadian Embassy
Sophialaan 7
The Hague, Netherlands

D. A. B. Marshall, Commercial Counsellor
D. J. S. Winfield, Assistant Commercial Secretary
W. L. Clarke, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 61-41-11
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NEW ZEALAND

Commercial Counsellor
Office of the High Commissioner for Canada
P.O. Box 12-049 Wellington North
ICI Building, 3rd Floor
Molesworth Street
Wellington, New Zealand

R. H. Gayner, Commercial Secretary
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Cable: CANADIAN *Phone*: 70-644
Telex: 065-3505 (DOMCAN NZ 3505)
Teritory: Cook Islands, Fiji, French Oceania, Gilbert and Ellice Islands, Tahiti, Tonga, Western Samoa.

NIGERIA

Commercial Secretary
Office of the High Commissioner for Canada
P.O. Box 851
Barclays Bank Building, 4th Floor
40 Marina Road
Lagos, Nigeria

N. L. Currie, Commercial Secretary

Cable: CANADIAN *Phone*: 25262
Telex: 275 (DOMCAN LAGOS)
Territory: Dahomey, Gambia, Niger, Senegal, Sierra Leone.

NORWAY

Commercial Counsellor
Canadian Embassy
Fridtjof Nansens plass 5
Oslo 1, Norway

D. B. Browne, Acting Commercial Secretary

Cable: CANADIAN *Phone*: 33-30-80
Telex: Oslo 1880 (DOMCAN OSLO)
Territory: Iceland.

PAKISTAN

Commercial Counsellor
Office of the High Commissioner for Canada
54 Haider Road
Rawalpindi, Pakistan

W. J. Jenkins, Commercial Counsellor
B. Northgrave, Assistant Commercial Secretary

Cable: DOMCAN RAWALPINDI
Telex: LH 15 (LH 15 LAHORE 15)
Territory: Afghanistan.

Commercial Secretary
Office of the High Commissioner for Canada
P.O. Box 3703
12B Clifton
H.K. Kriplani Road
Karachi 6, Pakistan

Cable: CANADIAN *Phone*: 52021
Telex: Karachi 10 (DOMCAN KHI)

PERU

Commercial Secretary
Canadian Embassy
Casilla 1212
Edificio El Pacifico
Corner Avenida Arequipa and Plaza Washington
Lima, Peru

E. E. Price, Commercial Secretary
A. T. Eyton, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 87420
Telex: WLA 5323 (DOMCAN LIMA)
Territory: Bolivia.

PHILIPPINES

Consul General and Trade Commissioner
Canadian Consulate General
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Manila, Philippines

J. L. Mutter, Consul General and Trade Commissioner
E. L. Bobinski, Consul and Assistant Trade Commissioner
R. A. Fairweather, Vice Consul and Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 5-85-97, 5-86-15
Telex: 3252 (DOMCAN MN 3252)
Territory: Republic of China (Taiwan).

PORTUGAL

Commercial Counsellor
Canadian Embassy
Rua Marques de Fronteira, No. 8—4° D°
Lisbon, Portugal

B. A. MacDonald, Commercial Counsellor
J. R. Brocklebank, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 55-31-18
Telex: 377 (DOMCAN P)
Territory: Azores, Cape Verde Islands, Madeira, Portuguese Guinea.

SINGAPORE

Commercial Counsellor
Office of the High Commissioner for Canada
P.O. Box 845
International Building, 11th Floor
360 Orchard Road
Singapore 1, Singapore

J. H. Bailey, Commercial Counsellor
D. H. M. Branion, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 36-1322
Telex: 277 (DOMCAN SPORE)
Territory: Indonesia, Thailand.

SOUTH AFRICA

Canadian Government Trade Commissioner
P.O. Box 715
Mobil House, 17th Floor
Corner Rissik and De Villiers Streets
Johannesburg, South Africa

Wm. Jones, Canadian Government Trade Commissioner
A. C. W. Davis, Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 834-6521
Telex: 7189 (DOMCAN J 7189)
Territory: States of Natal, Orange Free State, Transvaal.
Other countries: Angola, Botswana, Lesotho, Malagasy, Mauritius, Mozambique, Reunion.

(continued)

SOUTH AFRICA (continued)

Canadian Government Trade Commissioner
P.O. Box 683
African Life Centre, 13th Floor
St. George's Street
Cape Town, South Africa

H. W. Richardson, Trade Commissioner
D. H. Leavitt, Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 2-5134/5
Telex: 7060 (5-7060 CT)
Territory: Cape Province. Other countries: St. Helena, South West Africa.

SPAIN

Commercial Counsellor
Canadian Embassy
Apartado 117
Edificio Espana
Avenida de Jose Antonio 88
Madrid, Spain

L. A. Campeau, Commercial Counsellor
F. M. Mulkern, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 247-54-00
Telex: 7347 (DOMCAN MADRID)
Territory: Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro, Spanish Sahara.

SWEDEN

Commercial Counsellor
P.O. Box 14042
Kungsgaten 24
Stockholm, Sweden

D. S. Armstrong, Commercial Counsellor
E. C. H. Shelly, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 23-79-20
Telex: 10687 (DOMCAN STHLM)
Territory: Finland.

SWITZERLAND

Commercial Counsellor
Canadian Embassy
Kirchenfeldstrasse 88
Berne, Switzerland

S. G. MacDonald, Commercial Counsellor
G. E. Blackstock, Commercial Secretary
D. T. Johnston, Vice Consul and Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 44-63-81
Telex: 32489 (DOMCAN BERNE)
Territory: Liechtenstein, Tunisia.

TRINIDAD AND TOBAGO

Commercial Counsellor
Office of the High Commissioner for Canada
P.O. Box 1246
Colonial Building
72 South Quay
Port-of-Spain, Trinidad

K. G. Ramsay, Commercial Counsellor
J. D. Tennant, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 34787
Telex: 31314 (POS 31314)
Territory: Barbados, French Guiana, Guadeloupe, Guyana, Leeward and Windward Islands, Martinique, Surinam.

UNION OF SOVIET SOCIALIST REPUBLICS

Commercial Secretary
Canadian Embassy
23 Starokonyushenny Pereulok
Moscow, U.S.S.R.

W. J. Collett, Commercial Secretary
R. F. Turcotte, Commercial Secretary

Cable: CANAD *Phone*: 415142
Telex: 945 (DOMCAN MSK)

UNITED ARAB REPUBLIC

Commercial Division
Canadian Embassy
Kasr el Doubara Post Office
6 Sharia Rouston Pasha
Garden City
Cairo, Egypt

Cable: CANADIAN *Phone*: 23110
Territory: Ethiopia, Somali Republic, Sudan.

UNITED STATES

Commercial Counsellor
Canadian Embassy
1746 Massachusetts Avenue, N.W.
Washington, D.C. 20036

S. G. Tregaskes, Commercial Counsellor
G. W. Green, Commercial Counsellor
W. F. Hillhouse, Commercial Counsellor (Agriculture)
H. C. Armstrong, Commercial Counsellor
Miss V. F. Wightman, Attaché (Agriculture)

Cable: CANADIAN *Phone*: DEcatur 2-1011 (Area Code 202)
Telex: 0089664 (DOMCAN WSH)
Territory: District of Columbia.

(continued)

UNITED STATES (continued)

Deputy Consul General (Commercial)
Canadian Consulate General
680 Fifth Avenue
New York City, N.Y. 10019

C. J. Van Tighem, Deputy Consul General (Commercial)
B. C. Steers, Consul and Trade Commissioner
C. G. Bullis, Consul and Trade Commissioner
J. D. Welsh, Vice Consul and Assistant Trade Commissioner
D. Keddie, Vice Consul and Assistant Trade Commissioner
C. K. Marchant, Vice Consul and Assistant Trade Commissioner

Cable: CANTRACOM *Phone*: JUdson 6-2400 (Area Code 212)
Night Line: JUdson 6-2321
Telex: 00126242 (DOMCAN NYK)
Territory: States of Connecticut, New Jersey (eleven northern counties), New York. Other countries: Bermuda.

Consul and Senior Trade Commissioner
Canadian Consulate General
500 Boylston Street
Boston, Massachusetts 02116

R. C. Anderson, Consul and Trade Commissioner
C. A. Carruthers, Consul and Assistant Trade Commissioner
J. N. R. Ferland, Vice Consul and Assistant Trade Commissioner

Phone: 262-3760 (Area Code 617)
Telex: 0094567 (DOMCAN BSN)
Territory: States of Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Consul and Senior Trade Commissioner
Canadian Consulate General
310 South Michigan Avenue, Suite 2000
Chicago, Illinois 60604

D. H. Cheney, Consul and Senior Trade Commissioner
J. A. Doyle, Consul and Trade Commissioner
P. D. Donohue, Consul and Assistant Trade Commissioner
L. G. Lee, Vice Consul and Assistant Trade Commissioner

Phone: 427-1031 (Area Code 312)
Telex: 00254171 (DOMCAN CGO)
Territory: States of Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Wisconsin.

Consul and Trade Commissioner
Canadian Consulate
Illuminating Building
55 Public Square
Cleveland, Ohio 44113

J. C. Bradford, Consul and Acting Trade Commissioner

Phone: 861-1660 (Area Code 216)
Telex: 00985364 (DOMCAN CLV)
Territory: State of Ohio.

(continued)

UNITED STATES (continued)

Consul and Trade Commissioner
Canadian Consulate
1920 First Federal Building
1001 Woodward Avenue
Detroit, Michigan 48226

H. S. Hay, Consul and Trade Commissioner
V. G. Lotto, Consul and Assistant Trade Commissioner
R. J. P. Archambault, Vice Consul and Assistant Trade Commissioner

Phone: 965-2811 (Area Code 313)
Telex: 0023445 (DOMCAN DET)
Territory: State of Michigan.

Consul and Trade Commissioner
Canadian Consulate General
510 West Sixth Street
Los Angeles, California 90014

V. B. Chew, Consul and Trade Commissioner
J. H. Suggitt, Consul and Assistant Trade Commissioner
R. B. Blake, Vice Consul and Assistant Trade Commissioner

Phone: MAdison 2-2233 (Area Code 213)
Telex: 00674119 (DOMCAN LSA)
Territory: States of Arizona, California (ten southern counties), New Mexico, Clark County in Nevada.

Consul and Trade Commissioner
Commercial Division
Canadian Consulate General
2110 International Trade Mart
2 Canal Street
New Orleans, Louisiana 70130

P. A. Savard, Consul and Trade Commissioner
R. E. Pedersen, Vice Consul and Assistant Trade Commissioner
J. A. Langley, Vice Consul and Assistant Trade Commissioner

Phone: JAckson 5-2136, 5-2137 (Area Code 504)
Telex: 0058237 (DOMCAN NLN)
Territory: States of Arkansas, Alabama, Florida, Georgia, Louisiana, Oklahoma, Mississippi, North Carolina, South Caro,-lina, Tennessee, Texas.

Consul and Trade Commissioner
Canadian Consulate
3 Penn Center Plaza
Philadelphia, Pennsylvania 19102

W. J. Millyard, Consul and Trade Commissioner
R. D. P. Lee, Vice Consul and Assistant Trade Commissioner
J. N. Grantham, Vice Consul and Assistant Trade Commissioner

Cable: CANADIAN *Phone:* LOcust 35838 (Area Code 215)
Telex: 00845266 (DOMCAN PHA)
Territory: States of Delaware, Maryland, New Jersey (nine southern counties), Pennsylvania, Virginia, West Virginia.

(continued)

UNITED STATES (continued)

Consul and Trade Commissioner
Commercial Division
Canadian Consulate General
111 Pine Street
San Francisco, California 94111

R. M. Dawson, Consul and Trade Commissioner
D. S. M. Baker, Vice Consul and Assistant Trade Commissioner

Cable: CANADIAN *Phone*: 433-2517 (Area Code 415)
Telex: 0034321 (DOMCAN SFO)
Territory: States of California (except the ten southern counties), Colorado, Hawaii, Nevada (except Clark County), Utah, Wyoming.

Consul General
Canadian Consulate General
1308 Tower Building
Seventh Avenue at Olive Way
Seattle, Washington 98101

Phone: MUtual 2-3515 (Area Code 206)
Telex: 0032462 (DOMCAN SEA)
Territory: States of Alaska, Idaho, Montana, Oregon, Washington.

URUGUAY

Commercial Division
Canadian Embassy
Casilla Postal 852
No. 1409 Avenida Agraclada Piso 7°
Montevideo, Uruguay

Cable: CANADIAN *Phone*: 96096
Telex: 398078 (DOMCAN MVD)
Territory: Falkland Islands.

VENEZUELA

Commercial Secretary
Canadian Embassy
Apartado del Este 11452
Avenida La Estancia No. 10
Ciudad Comercial Tamanaco
Caracas, Venezuela

J. D. Blackwood, Commercial Counsellor
J. E. Kepper, Assistant Commercial Secretary

Cable: CANADIAN *Phone*: 32.40.41/44
Telex: 877 (877 DOMCAN)
Territory: Netherlands Antilles.

YUGOSLAVIA

Commercial Secretary
Canadian Embassy
Proleterskih Brigada 69
Belgrade, Yugoslavia

Z. W. Burianyk, Commercial Secretary

Telex: 11137 (YU DOMCA)

Trade Commissioner Goes to School

Carl Rufelds chats with Edmonton school children (left to right) Judy Seal, Bob Bell, David Rolf, Brent Haskell, Barbara Gildner and Sharon Carlson.

THERE is a special link today between the city of Edmonton and the Canadian Trade Commissioner Service, thanks to a group of students at McKernan Junior High School. The connection began with a class assignment early this year and developed into a friendly exchange of letters. Out of it emerged a warm personal relationship when Operation Export 1967 visited the city last May.

The assignment was set by Mrs. Geraldine Bell, who teaches history, geography and economics to two grade seven classes at McKernan. As a Centennial project, she asked her pupils to produce a broad report on Canada with pictures and maps—the kind of report that they would like to read about another country, covering industries, food, people, way of life, sports, culture and so on.

Mrs. Bell was pleased with the results and felt that these essays could be used to tell Canada's story in other countries. How to go about it? She remembered that at the Northwest Trade Fair last year she had picked up a copy of *Markets in Brief* (reprinted from *Foreign Trade* by the Bank of Montreal), and that the book gave the addresses of the Canadian trade posts abroad. From these she selected over 30 posts, each pupil drew one and wrote his own letter to the Trade Commissioner in charge, enclosing his essay. On the wall of the classroom they pinned up pages from *Foreign Trade* that carried photographs of the Trade Commissioners and each pupil printed his own name beside that of the man to whom he had written. Not long afterwards airmail envelopes with interesting stamps began to arrive. The Trade Commissioners praised the essays highly, said that some had already been passed on to schools in the various foreign countries, and told the children a little about life at their posts.

When the students heard that the Trade Commissioners (over 60 of them) were coming to Edmonton on Operation Export, they were anxious for a personal meeting. One was arranged with the cooperation of McKernan's principal, H. Simonson. Carl Rufelds, Consul and Assistant Trade Commissioner in Milan, Italy, had some free time between appointments with businessmen and he happily agreed to represent his colleagues.

"I had a wonderful time," Mr. Rufelds told us. "The kids were delightful, intelligent and enthusiastic. I told them about the Trade Commissioner Service, what our work is, and all the places we can be posted to. Then I asked for questions, and I got a full hour of them.

"Like most young people, they wanted to know the important basic facts about life in Italy: what do Italians eat—how old are they when they start school—how long are their holidays—do teenagers wear mini-skirts—what's the favourite sport? And, more unusual: is there a draft in Italy—are they in Vietnam—does the army have much control in the country?"

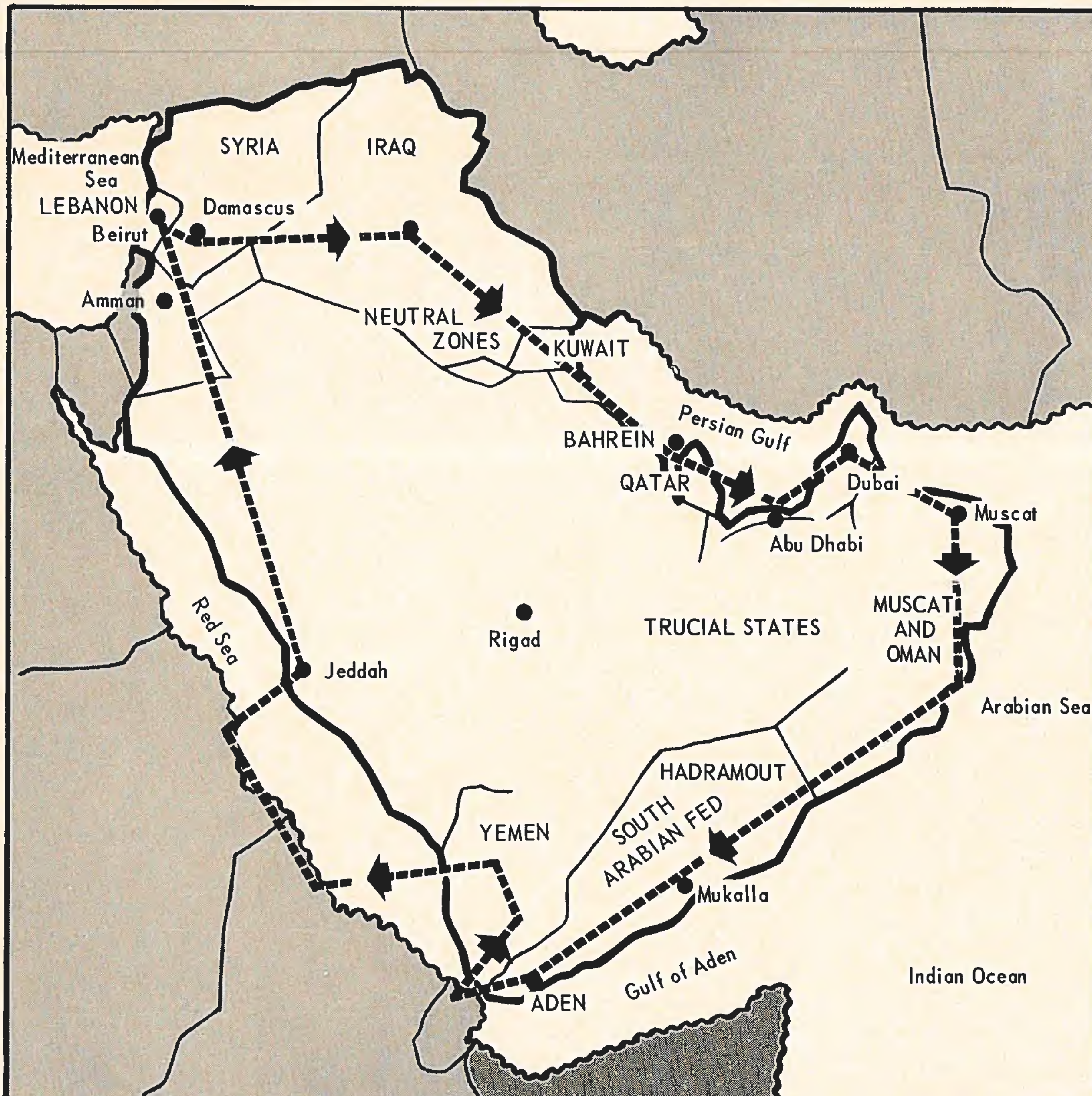
But many of the children's questions showed that they had found their classwork interesting. They wanted to know what kind of things Canada sold to Italy, what we bought from Italy, and how much money it added up to. They asked about the kind of industries Italians worked in.

"I think in a few years we may have a Trade Commissioner or two who call McKernan High alma mater," Mr. Rufelds commented, "I was asked a lot of business-like questions about the Service. One boy asked about salaries, very politely. Others wanted to know how you join, the length of stay at a post, details of the work we do abroad, and what we were doing in Edmonton."

The friendship established with these enthusiastic young Canadians is one of the best of the many good memories of the Trade Commissioners' Centennial year tour of Canada. It's nice to have well-briefed supporters among today's pre-teens.

MARGOT MARTIN, *"Foreign Trade"*.

Markets in the Arabian Perimeter II



The broken line shows the route the author followed on his tour of these Arabian Peninsula countries.

Part I of the author's report on his tour around the rim of the Arabian peninsula and on the opportunities for business he found there appeared in our last issue. Here is Part II—Muscat to Yemen.

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

Muscat and Oman

Remote, unspoiled, and on the threshold of economic and social development for which financing has now been assured through discovery of a major oilfield by a Shell Company subsidiary, is the 82,000-square-mile Sultanate of Muscat and Oman, an independent state with 800 miles of coastline on the Indian Ocean. Muscat and Oman are relatively well populated (750,000) and possess fertile agricultural land which produces cattle, Batinah dates, sugar cane, citrus, tobacco and other crops. Fisheries prospects seem good but are relatively under-developed, although some dried fish is produced and exported.

Muscat and Oman offer Canadian companies an opportunity to enter the market at the beginning of the development stage and thus become well established against the time when oil revenues permit further expansion. Already several prominent United States and British companies have obtained contracts in Muscat in connection with petroleum development and Canadian companies might profit from similar initiative. The British Bank of the Middle East holds a banking monopoly in Muscat which expires July 1, 1968, at which time the Ottoman Bank and the Eastern Bank will establish branches there. The British architect sent to Muscat to design one of the buildings for these new branches was awarded a town planning contract for the twin cities of Muscat and Matrah by the Sultan.

Canadian exporters will find opportunities for representation in Muscat through the active merchant community there, which in turn serves the growing number of foreign company employees in the country (now several thousand), the farming community which will become much more mechanized, the embryo fishing industry, the dispersed local population, and the Government, whose expenditures are expected to increase rapidly beginning this year.

Muscat is of obvious interest to consulting engineers and contractors experienced in water supply, sewage disposal, electricity projects, marine construction, petroleum exploration and development, road construction, airport construction, building of hospitals, schools and housing, fisheries development, agricultural projects, aerial surveys, mapping, geological studies and mineral development. It also offers future prospects for oil concessionaires when some present leases expire in two or three years.

South Arabia

Oil has not yet been discovered in the neighboring states occupying the southwest of the Arabian Peninsula, the Hadramout, (actually three states), the South Arabian Federation, and Yemen. This is the "Arabia Felix" of ancient geographers, an area possessing the Peninsula's best rainfall and most fertile agricultural land. Canadian consultants, contractors and

Mukhala, in the Eastern Aden Protectorate, part of the South Arabian Federation, looks to considerable future development. The waterfront shown in this picture will be modernized and a new harbour is to be built beyond the hill on the right.

traders could contribute profitably to development of the area, which combines an excellent location, natural resources, great scenic beauty and large fisheries resources with an industrious, enterprising people.

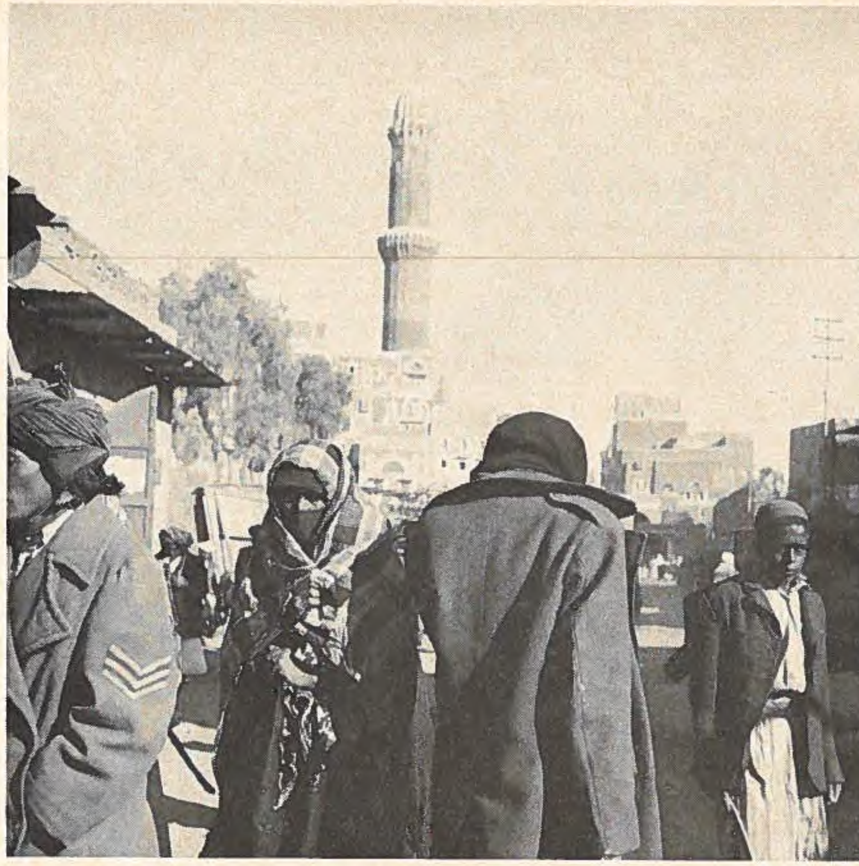
The newly crowned Sultan of Qaiti State in the Hadramout, English-educated H.H. Sultan Ghalib Bin Awadh Al Qaiti, has planned for the immediate future harbour construction near Mukhala, a waterfront redevelopment program and the building of roads. The country will require a telecommunications system, tourist facilities, agricultural and welfare programs, and scientific exploitation of fisheries resources. In the latter field, some progress is already being made by a local publicly-owned company, the National Foundation for Service, which has placed an order for a fishmeal plant with a capacity of 150 tons per day.

The South Arabian Federation, nearing its goal of independence in 1968, is the best (but a small) market for Canadian products in this area and traditionally imports from us flour, washing machines, television receivers and whisky. There is also a strong interest on the part of the government authorities in economic development to lessen dependence on the tourist and entrepôt trade from which most of the revenue has been derived in the past.

The capital of the Federation of South Arabia is at Al-Ittihad near Aden, where the Administration has already become well-established. Officials there told me of their goodwill towards Canada and their strong desire to strengthen economic relations with us. This goal, they felt, could be achieved through the employment of Canadian consulting engineers and contractors, and increased trade between the two countries.

Projects planned for early development in the Federation include a well-equipped defence force, a road network (to be financed by Saudi Arabia), resources surveys, an international airport terminal, tourist trade development studies, and a microwave link-up of Aden with each of the 17 state capitals. The Aden merchant community includes a number of large and reputable commercial-industrial companies in a position to provide good representation for Canadian principals.

(Continued on page 28)



One of the sights to catch the author's eye in San'a, the capital of Yemen, was the popularity of surplus military clothing as a protection against the cold winter weather on the high plateau. San'a is a walled city few Canadians have seen.

Import Regulations

Muscat and Oman

Tariff comprises 127 items with ad valorem rates. Maximum duty on all but seven items is 17½ per cent. Highest duties apply to wine, beer, opium (75); vegetable ghee, cigarettes and other manufactured tobacco (25); and motor cars (20). The Muscat Customs Manual may be obtained from the Director of Customs, Sultanate of Muscat and Oman, for one dollar.

Yemen

Duties range from 5 to 50 per cent. Items duty-free are medical equipment, machine tools for agriculture, fertilizers, radios and newsprint. Low rates are levied on cement, road machinery, grains, rice, and kerosene and higher ones on cameras, cosmetics and fabrics. A 5 per cent defence tax and a 2 per cent statistical tax are also levied on all imports.

Aden

Tariff includes only 13 items falling into three categories: alcoholic beverages, tobacco and products, and gasoline. All but three are specific duties. There are no preferential rates and no surtaxes.

The Aden Colony Gazette, No. 63, December 1960, contains duties and customs regulations. Order from Government Printer, Aden, for fifty cents.

Canada's chief exports to specified Arab States

	1964	1965	1966
	(Can.$'000)		
Kuwait			
Barley	—	—	105
Wheat	—	562	—
Flour	55	11	—
Plywood	29	80	56
Sulphur	—	—	736
Power boilers, equipment	—	153	9
Engines	—	—	153
Automobiles	336	2,198	2,384
Tires	67	117	55
Washing machines	36	51	109
Clocks	34	37	26
Bahrain			
Automobiles	97	87	132
Mining & quarrying machinery	—	—	102
Clocks	20	33	23
Foods and groceries	6	9	17
Washing machines	1	3	—
Air conditioners	—	9	12
Qatar			
Steel pipes	22	208	248
Automobiles	206	292	80
Air conditioners	8	5	20
Clocks	4	10	6
Washing machines	4	6	4
Firearms	—	7	11
Trucial States			
Trailers	—	12	—
Automobiles	4	4	67
Prefabricated fence	—	31	—
Clocks	8	6	4
Contractors' equipment & tools	—	—	17
TV sets	—	—	4
Tires, truck and bus	—	—	12
Aden			
Flour	88	120	118
Washing machines	10	41	68
Trucks	—	8	—
Plastics	6	—	5
Spark plugs	1	3	9

	1964	1965	1966
	(Can.$'000)		
Saudi Arabia			
Seed wheat	752	1,201	427
Wheat	805	1,051	180
Steel pipes	130	147	233
Automobiles	578	1,063	1,373
TV sets	216	299	206
Radio & TV equipment	211	—	—
Commercial communication equipment	—	329	67
Components for communication equipment	—	210	23
Washing machines	78	78	130
Clocks	88	76	75
Construction machinery	—	185	—
Tires and tubes	40	115	168
Aluminum fabricated materials	—	11	305
Contractors' equipment and tools	—	9	192
Aircraft engines	30	42	400
Aircraft	—	63	419
Aircraft assemblies equipment & parts	6	22	104
Air conditioners	—	45	47
Antibiotics	—	39	38
Motor vehicle parts	19	56	30
Wet and dry batteries	2	35	45
Hose	—	5	76
Fire brick	20	39	55

Trade of specified Arab States

	1964	1965	1966
	(millions of dollars)		
Imports			
Kuwait	347	390	400 (est.)
Bahrain	84	87	90
Qatar	30	33	
Dubai	45	53	
Muscat & Oman	7	8	
Federation of South Arabia	318		
Saudi Arabia	326	406	
Re-exports			
Bahrain	25	24	27 (9 mos.)
Dubai	23	27	
Aden (include ships' bunker fuel oil, coal and stores)	224		

The author (left) and the local bank manager (right) chat with a well-to-do-farmer near Mukhala in the Eastern Aden Protectorate. He already is making use of modern agricultural machinery and the market for this should expand as progress continues.

Yemen

The business community in Aden has close relations with customers in Yemen and some of the larger Aden companies have branches there. Political disturbances combined with foreign exchange shortages and other problems in the Yemen have, however, reduced trade between the two. The decline has been accentuated by the Yemen Government's efforts to encourage direct imports and use of its own port facilities at Hodeida and Mocha. It is impossible to predict what the future holds for this populous (5 million) and potentially productive country. Certainly obvious and substantial benefits could be obtained through mechanization of agriculture and improved irrigation. There is also scope for expanding health services. In the past there has been some oil and mineral exploration by U.S. interests but apparently without success.

The Government is attempting to modernize the country and is being encouraged through an aid program financed by the U.S. (roads), the U.S.S.R. (harbours and fisheries), Communist China (roads), West Germany (agriculture), Rumania (minerals survey), and Kuwait (resources survey). Credits have been offered by the Soviet Union (cement factory), East Germany (agriculture, telecommunications) and Yugoslavia (fisheries). United Nations agencies have been active in Yemen and Canadian companies are welcome to participate in tenders which they offer, including a survey of agricultural potential sponsored by the United Nations Development Program.

Canadian exporters interested in exploring the Yemen market should seek representation by Yemeni firms or offer direct to the government-operated Yemen Foreign Trade Company, P.O. Box 77, San'a. They have requested from Canada offers of wheat, light civil transport aircraft, agricultural equipment and economic advisory services. A new international airport is planned for Taiz for which a Kuwait-Yemen committee has been formed to appoint a consultant.

For the Visitor

Although I do not recommend that every Canadian exporter interested in Middle East markets should attempt an encircling of the Arabian Peninsula, a visit to leading capitals and trade centres should prove rewarding. The Beirut office of the Trade Commissioner Service would be pleased to prepare an itinerary, arrange contacts, and suggest a sales promotion program in the Middle East tailored to individual requirements. Any prospective visitor should, however, check with the Consular Division of the Department of External Affairs before making any travel plans, in view of the current situation in the Middle East.●

Kennedy Round Tariff Concessions Granted by East European Countries

THE East European countries which participated in the Kennedy Round were Czechoslovakia, Yugoslavia and Poland. Czechoslovakia was an original member of the GATT and Yugoslavia became a full member in August 1966. In the case of Poland, which is currently an associate member, negotiations for full accession have been concluded, and this will take place when the results of the negotiations have been ratified by two-thirds of the contracting parties.

In general the system of state control over imports in the socialist economies of Eastern Europe tends to minimize the significance of tariffs and, therefore, of tariff reductions. However, economic reforms are being introduced in these countries and in the case of Yugoslavia they are already having considerable impact. It is generally considered that the economic reforms may, in time, result in the introduction of many of the features of a market economy, a development which would render the tariff structure of these countries more meaningful.

Czechoslovakia has granted 50 per cent tariff reductions and bound duty-free entry on a number of products of interest to Canadian exporters. Wheat, which is normally our largest single export item to Czechoslovakia, was granted a 50 per cent tariff reduction (from 20 crowns to 10 crowns per 100 kg.). The 50 per cent reduction was also granted on flaxseed (from 4 crowns to 2 crowns per 100 kg.). At the same time, duty-free entry was bound on asbestos and cattle hides.

The concessions granted by Yugoslavia were generally in the form of bindings of the rates contained in the existing Yugoslav tariff. This tariff was introduced in 1965 after consultations with GATT members as one of the steps towards the full accession of Yugoslavia to the GATT. The tariff already contained substantial reductions from the rates provided in the provisional Yugoslav tariff which had been introduced earlier. The final accession of Yugoslavia to the GATT became effective on August 25, 1966. The tariff bindings of particular interest to Canada include duty-free entry for flaxseed and aircraft engines, and a rate of 5 per cent on asbestos.

Poland, which does not have a customs tariff on commercial imports, has undertaken to increase the total value of its imports from GATT members by not less than 7 per cent per annum.●

Exporting to Britain?

. . . get your documentation right and avoid delays in Customs.

A. LLOYD, *Commercial Officer, Liverpool.*

IN ORDER TO CLAIM Commonwealth preferential tariff treatment in Britain on goods exported from Canada, all such goods must be covered by a certificate of origin. It is on this document that the Canadian manufacturer or producer declares that he made or produced the goods in Canada and that they have a Commonwealth content of not less than the required percentage. It is essential that the declarations be made in full cognizance of the British preference regulations and that certificates of origin are never completed to cover goods of non-Commonwealth origin. Exporters should be satisfied that the certificates are complete in every respect and that they will stand up to critical examination by the British Customs authorities.

It is, of course, still possible for the consignee to take possession of the goods when the certificate of origin is missing or is incomplete by paying a deposit to H.M. Customs pending the submission of a correctly completed document. It does, however, usually mean that the Customs officials will go through the whole consignment with a fine-tooth comb.

Phyto-Sanitary Certificate

Certain classes of foodstuffs, such as apples, must be covered by a phyto-sanitary certificate. When the certificate of origin is missing, it is still possible to take possession, but without the phyto-sanitary certificate absolutely no further progress can be made. The Customs will not release such a consignment under any circumstances until the certificate is produced. It need hardly be mentioned that a hold-up such as this on shipments of perishable foodstuffs can be an extremely costly business.

Invoices

It should be possible for the Customs officials to identify the type of goods being shipped by the description on the invoice. Some exporters, however, quote only catalogue numbers and these are completely meaningless to the officials. Where an exporter's products regularly pass through the same Customs station, the Customs officer will usually obtain the firm's catalogues for his records so that he can correlate the numbers with the actual products. Unfortunately there is no guarantee that the same dock will always be used, even if the port of entry does not vary. It is therefore advisable to insert a clear description on all invoices.

Packing Lists

In many instances the Customs officials will wish to study the packing list, particularly when the consignment consists of machinery parts or other goods of a technical nature. So often the only packing list provided is the one in the packing case, which inevitably means opening up that case. An extra copy supplied with the documents can save a great deal of time and trouble and means less interference with the goods.

The Merchandise Marks Act

The Merchandise Marks Act of 1887 contains a number of provisions prohibiting false or fraudulent markings on goods. These include the application to goods of any false trade description or statement about the place or country in which the goods were made or produced.

Section 16 of the Act controls the marks on goods at the time of import, and prohibits the import of foreign goods bearing any name or trademark being or purporting to be the name or trademark of a British firm, unless accompanied by an indication of origin.

Trouble in this direction sometimes arises when the British importer asks for his own special brand mark to be shown on the goods. Exporters should ensure that they do not in any way contravene this Act, otherwise their goods may be refused entry.

Shipment via U.S. Ports

Where it is necessary to ship through a U.S. port, the Canadian exporter must obtain a signed "certificate of continuous Customs custody, non-manipulation and exportation" from the U.S. Customs authority, and this should be sent to the British importer. If this is not done, Commonwealth preference may not be allowed.

Line Numbers

In all cases where exporters have had a line number approved by the British Customs and Excise authorities for the purpose of obtaining Commonwealth preference, it is important that this line number appear on the documentation for all subsequent shipments of similar articles. This number should be shown regardless of whether a manufacturer's catalogue number is given or not.

Documentation in General

Sometimes goods are held up at the port of entry because the ship has arrived before the documents. This can prove expensive. Exporters are strongly advised to ensure that the full documentation is available in Britain as quickly as possible, and in any event before the arrival of the ship. British Customs will normally accept entry up to four days before the expected arrival date. For air shipments, appropriate documentation should accompany the air waybill.

The late arrival of documents can lead to additional wharfage charges, and particularly where perishable goods are concerned, any delay can have a disastrous effect.

Ask for Advice

Remember that correct documentation means less delay and less interference with the goods. Information on British Customs requirements will gladly be given by the Commonwealth Division, Office of Trade Relations, Department of Trade and Commerce, Ottawa, or by H.M. Customs & Excise, King's Beam House, Mark Lane, London, E.C. 3.●

trade lines

Setback for German clothing industry

According to the Association of South-West German Clothing Manufacturers, 1967 will be a poor year for the industry. Excess capacity is about 10 per cent and by April this year the number of workers on short time had reached 30,000. The men's clothing sector has been hardest hit by consumers deferring their spending on clothes. Price competition from foreign products has hurt the women's foundation garment sector. The turnover of the clothing industry in 1966 was $3,185 million and, although the 1967 figure will be well down, long-term prospects are good—Duesseldorf.

South Africa has bumper maize crop

According to latest estimates, the 1966/67 crop of maize will reach nearly 85 million bags, 18 million more than the previous record crop of 67 million in 1963/64. Local consumption equals about 50 million bags. The sale of 30 million bags would earn South Africa some $100 million in foreign exchange—Cape Town.

British jewellery business loses lustre

In the first quarter of 1967, sales of jewellery, goldsmiths' and silversmiths' wares, and silverplate totalled $18 million at the manufacturer's level, a drop of 9 per cent compared with the corresponding quarter of 1966. All sales except jewellery of non-precious metal were affected by the decrease—London.

Venezuela raises local content in cars

The percentage of locally-produced parts which auto assemblers in Venezuela are required to use was increased this year from 25 per cent by weight to 31 per cent. Sales of motor vehicles in Venezuela in 1966 were 59,600 units (43,400 passenger cars and 16,200 commercial vehicles) compared with 58,200 the previous year (40,600 passenger and 17,600 commercial). Chrysler of Venezuela is building a truck assembly plant at Valencia with a capacity of 75 trucks a day. The plant will cost $16.5 million and be ready early in 1968—Caracas.

Paper consumption grows in Europe

The annual consumption of paper in the European Common Market is expected to rise by between 5 and 6 per cent a year to reach 23 million tons in 1975. Scandinavian and North American manufacturers are attempting to gain a foothold in EEC by buying up mills or acquiring an interest in European companies. West Germany is the largest producer with an output of 4.3 million tons a year but last year had to import nearly 2 million tons of paper and paperboard, about one-third of its total consumption—Duesseldorf.

Rapid development of Australian gas

A plant to process up to 400 million cubic feet a day of natural gas from the offshore fields in Victoria, Australia, is to be built at Sale, 110 miles west of Melbourne. The contract has been awarded to the Hudson Engineering Corporation of Houston, Texas. The Victorian Pipelines Commission, a government body formed to build and operate all natural gas pipelines in Victoria, has called for tenders for the manufacture and coating of the pipeline which will carry the gas from the plant to the outskirts of Melbourne. The pipeline will be 30 inches in diameter, of all-welded construction and designed to withstand pressure of 1,000 psi., and will cost about Can.$25 million.

Woodside (Lakes Entrance) Oil Co. and Burmah Oil are exploring areas adjacent to the Broken Hill Proprietary Company Ltd.—Esso Standard Oil (Australia) Ltd. field and have recently announced the discovery of natural gas—Melbourne.

An article in *Foreign Trade* for April 29, 1967 "Australia Finds More Oil and Natural Gas" provides a more detailed description of the gas fields. (The editors apologize to readers for a mistake in converting Australian currency to Canadian dollars in this article).

More business failures in Germany

There were 1,122 business failures in West Germany in the first quarter of 1967, a rise of 40 per cent over the first quarter of 1966. These included 451 enterprises producing goods (including construction firms), 85 per cent above the figure for the same sector in the first quarter of 1966—Bad Godesberg.

Ireland starts oyster hatchery

Shellfish (Ireland) Limited recently opened an oyster hatchery at Kilfenora, Co. Derry, which is believed to be the first of its kind in Europe. It will produce 30 million oyster spawn a year; scallops and clams will also be cultivated there under controlled conditions. It generally takes three years for the seed to reach marketable size. The present output of the Irish oyster industry is worth about Can. $900,000 a year and a survey made in 1964 showed that there was great potential. The best export outlet for Irish oysters is the French market which is close and generally undersupplied—Dublin.

New chemical plants in Venezuela

Venezuela will soon have two major new chemical plants in production. Oxidaciones Organicas, a subsidiary of Montana Industrial Corporation of the United States, will start to produce phthalic anhydride at Valencia in 1968. The Venezuelan Petrochemical Institute's sulphuric acid plant at Moron will go on stream with a capacity of 425 tons a day at the end of 1967—Caracas.

Cyprus renews bilateral trade agreements

Bilateral trade and payments agreements with Rumania, Bulgaria, Poland and Hungary were renewed by Cyprus for a further year and are expected to cover trade in each direction worth some C£2.3 million annually. Cyprus will receive manufactured goods, paper and paper products, timber, textiles, glass and glassware, and machinery. Cyprus will provide in exchange citrus fruits, agricultural products, tobacco, raw wool, hides and skins, minerals, knitted jerseys, and towels—Tel Aviv.

Brazil buys drilling equipment from Rumania

As part of the trade agreement between the two countries, Rumania has made a loan of U.S. $2 million to Brazil for the purchase of oil drilling equipment and spare parts. Brazil will pay interest at the rate of 6 per cent—Rio de Janeiro.

More tinplate capacity in the Netherlands

The third electrolytic tinning line at the Royal Netherlands Blast Furnaces and Steelworks at Ymuiden was scheduled to begin production in August 1967 to meet the continuously growing demand. The company's output will be raised from 350,000 to about 580,000 metric tons a year—The Hague.

Electrodes for Spanish Industry

Union Carbide Ibérica S.A. will build a fully integrated factory to produce graphite electrodes at Pamplona in the north of Spain. The electrodes will be used in the steel industry which is concentrated there and will include sizes up to 24 inches in diameter. Anodes for the manufacture of chlorine will also be produced. The factory will cost $10 million to build and will have a capacity of 10,000 tons a year when it is completed in 1968—Madrid.

British shoes gain foothold in U.S.S.R.

In the first quarter of 1967, Britain's footwear industry increased exports by almost 11 per cent with the Soviet Union being the fastest-growing market. The U.S.S.R. now accounts for 30 per cent of Britain's exports of women's shoes, 8 per cent more than sold to North America. Exports of men's leather shoes to the U.S.S.R. also increased and now account for 8 per cent of Britain's exports, compared with 48 per cent sold to North America and 11 per cent to EFTA countries—London.

German chemical expansion eases up

The turnover of the West German chemical industry for the first quarter of 1967 at DM.9,040 million ($2,260 million) was only 2.6 per cent above the figure for the first quarter of 1966, which had been 8.2 per cent above the corresponding quarter of 1965. The chemical industry's growth, however, contrasts with the 5.9 per cent lower turnover recorded for West German industry as a whole—Duesseldorf.

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 .93   To convert column two, *divide* by .93.

Country and Currency	Value of Foreign Currency unit in Canadian dollars at August 21	Value of Canadian dollar in foreign currency units at August 21
Algeria		
Dinar	.2191	4.52
Argentina		
Peso (free)	.0031	322.58
Australia		
Dollar	1.20	.8333
Austria		
Schilling	.0417	23.98
Bahamas		
Dollar	1.048	.9514
Belgium and Luxembourg		
Franc	.0217	46.25
Bermuda		
Pound	2.994	.37
Bolivia		
Peso	.0903	11.07
Brazil		
Cruzeiro (official free)	.3977	2.51
Britain		
Pound	2.994	.37
British Honduras		
Dollar	.7485	1.34
Burma		
Kyat	.2257	4.43
Ceylon		
Rupee	.2245	4.45
Chile		
Escudo (bank rate)	.2285	4.80
(free)	.1866	5.35
China, Republic of		
New Taiwan Dollar (official)	.0233	42.92
Colombia		
Peso (fixed)	.066	14.95
Congo, Republic of[1]		
Franc	.0072	139.50
Costa Rica		
Colon	.1622	6.16
Cuba[2]		
Peso	....	....
Czechoslovakia		
Koruna	.1493	6.68
Denmark		
Krone	.1548	6.45
Dominican Republic		
Peso	1.075	.93
Ecuador		
Sucre (official)	.0597	16.67
(free)	.0543	18.42
El Salvador		
Colon	.4299	2.33
Fiji		
Pound	2.697	.37
Finland		
Markka	.3358	2.98
France, Monaco, etc.[3]		
Franc	.2191	4.56
Franco-African Republics[4]		
Franc	.0044	227.79
French Pacific[5]		
Franc	.0121	82.64
Germany		
D Mark	.2686	3.72
Ghana		
New Cedi	1.053	.95
Greece		
Drachma	.0358	27.86
Guatemala		
Quetzal	1.075	.93
Guyana		
Dollar	.6236	1.60
Haiti		
Gourde	.2149	4.65
Honduras		
Lempira	.5373	1.86
Hong Kong		
Dollar	.1871	5.34
Hungary		
Forint (official)	.0921	10.86
Iceland		
Krona (official)	.0250	40.00
India		
Rupee	.1424	7.00

Country and Currency	Value of Foreign Currency unit in Canadian dollars at August 21	Value of Canadian dollar in foreign currency units at August 21
Indonesia[6]		
Rupiah	....	....
Iran		
Rial	.0142	69.93
Iraq		
Dinar	3.009	.33
Ireland		
Pound	2.994	.37
Israel		
Pound	.3582	2.79
Italy		
Lira	.0017	581.86
Japan		
Yen	.0030	335.37
Kenya		
Shilling	.1402	7.13
Lebanon		
Pound (free)	.3332	3.00
Malaysia		
Dollar	.3511	2.85
Mexico		
Peso	.0860	11.61
Morocco		
Dirham	.2128	4.70
Netherlands		
Florin	.2988	3.35
Netherlands Antilles		
Florin	.5699	1.75
New Zealand		
Dollar	1.491	.67
Nicaragua		
Cordoba	.1535	6.51
Nigeria		
Pound	3.002	.33
Norway		
Krone	.1503	6.63
Pakistan		
Rupee	.2245	4.44
Panama		
Balboa	1.075	.93
Paraguay		
Guarani (free)	.0090	112.36

Country and Currency	Value of Foreign Currency unit in Canadian dollars at August 21	Value of Canadian dollar in foreign currency units at August 21
Peru		
Sol (free)	.0400	24.94
Philippines		
Peso (free)	.2746	3.64
Poland		
Zloty (fixed basic rate)	.2687	3.72
Portugal & Colonies[7]		
Escudo	.0374	26.66
Saudi Arabia		
Riyal	.2066	4.84
Sierra Leone		
Leone	1.497	.66
South Africa		
Rand	1.497	.66
Spain & Dependencies		
Peseta	.0180	55.55
Sweden		
Krona	.2084	4.80
Switzerland		
Franc	.2478	4.00
Syria		
Pound (free)	.2813	3.55
Thailand[1]		
Baht (free)	.0521	19.25
Tunisia		
Dinar	2.063	.48
Turkey		
Lira	.1194	8.36
United Arab Republic		
Pound (official)	2.472	.40
United States		
Dollar	1.075	.93
Uruguay		
Peso (free)	.0090	111.11
Venezuela		
Bolivar (official free)	.2396	4.17
West Indies		
Dollar[8]	.6236	1.60
Pound[9]	2.994	.37
Yugoslavia		
Dinar (official)	.0860	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.

Greek Shipping Boosts Economy

The world's eighth largest merchant fleet, with nearly 1,800 vessels, earns nearly U.S.$183 million a year in needed foreign exchange.

B. A. MACDONALD, *Commercial Counsellor, Athens.*

GREECE, a relatively small and poor country, has one of the largest merchant marines in the world and its earnings have great economic importance. Following World War II, the fleet was expanded steadily to the 7.8 million gross registered tons of 1966. Between 1957 and 1966, in fact, it trebled in number and the tonnage rose by over 500 per cent. The largest increase was in tankers—from 37 in 1957 to 203 last year. Of the 1966 total of 1,734 vessels, some 1,191 were dry cargo ships and 114 passenger ships.

TABLE I

PRINCIPAL MERCHANT FLEETS OF THE WORLD*

Country	Current Tonnage 1966	Change over 1965
	(gross tons'000)	
Britain	21,542	+ 11
U.S.**	20,797	— 730
Liberia	20,603	+ 3,064
Norway	16,424	+ 780
Japan	14,723	+ 2,752
U.S.S.R.	9,492	+ 125
Greece	7,163	+ 26
Italy	5,851	+ 150
West Germany	5,767	+ 487
France	5,260	+ 62
Netherlands	4,980	+ 89
World Total	**171,129**	**+10,738**

* Steamships and motorships of 100 g.r.t. and upwards.

**Including U.S. reserve fleet of 8,000,000 g.r.t.

Source: Lloyd's Register of Shipping.

Table I, based on flag registration, shows that Greece now ranks eighth among shipowning nations.

A census in 1959 indicated over 92,000 registered seamen. The Ministry of Merchant Marine has done a great deal since the war to improve the working conditions, sickness benefits, and pension arrangements of seamen. Special efforts have also been made to enable Greek mariners to acquire all the qualifications and knowledge that modern crews should possess. There are now nine government merchant marine colleges: on the islands of Hydra, Syros, Chios, Oinoussai, Euboea, and at Scaramanga and Aspropyrgos (3). Apprentice officers graduated in 1966 numbered 278, made up of 160 deck officers, 80 engineers, and 38 radio officers.

Foreign or Greek Registry?

For some years now the Greek Government has been seeking to persuade more Greek owners to transfer their ships to Greek registry. Some of the inducements offered are:

1. Such ships may be sold and their registration may be changed at any time.

2. Their foreign exchange earnings may be disposed of freely.

3. They are not subject to requisition, except in the event of a general conflict in which Greece becomes involved; in the latter event, compensation payable is to be equal to that payable by the U.S. or British Governments for requisitioned vessels.

4. Various tax relief measures are obtainable. Although Greek taxation legislation does not permit deductions for depreciation and operating costs before assessment of tax, the taxes themselves may be waived for considerable periods after registration. Current tax rates on gross earnings from shipping operations are reported to be as follows: 2½ per cent on voyage charter, 4 per cent on time charter, and 6 per cent on bareboat charter.

Tables II and III give the distribution of the Greek flag merchant fleet (ships of 100 g.r. tons and over) by tonnage and age groups at the end of 1966.

New Vessels Needed

Cumulative obsolescence, increasing maintenance costs, higher insurance premiums, and a 20-year survey coming due, will soon make 961 ships aged 20 years and over uneconomic to operate. As a result, much thought

TABLE II

DISTRIBUTION OF GREEK FLEET BY TONNAGE GROUPS

(As of December 31, 1966)

Tonnage Group	Cargo	Tankers	Passenger	Other	Total	Per cent
100-499	308	38	27	160	533	30.8
500-2999	319	28	43	61	451	26.0
3,000-4,999	79	1	15	4	99	5.7
5,000-6,999	66	4	8	1	79	4.5
7,000-7,999	214	1	—	—	215	12.4
8,000-9,999	106	16	10	—	132	7.6
10,000 and over	99	115	11	—	225	13.0
Total	**1,191**	**203**	**114**	**226**	**1,734**	**100.0**

Tables II and III from Greek Ministry of Merchant Marine.

TABLE III

DISTRIBUTION OF GREEK FLEET BY AGE GROUPS

(As of December 31, 1966)

Age Group	No.	g.r.t.	Per cent
0-5 years	166	1,110,000	14.1
5-10 years	181	1,629,000	20.8
10-15 years	176	1,378,000	17.6
15-20 years	250	854,000	10.9
20 years and over	961	2,870,000	36.6
Total	**1,734**	**7,841,000**	**100.0**

is being given to the construction of replacement tonnage.

Although there are scores of small yards at island and coastal ports building small ships such as caiques, the first large modern shipbuilding and repair yard was built in 1959 by the Greek shipowner Stavros Niarchos. Called the "Hellenic Shipyards" it is at Scaramanga, a few miles west of Piraeus, and is said to represent an investment of $30 million. It has two floating drydocks in which ships up to 50,000 tons can be repaired and apparently is capable of constructing four ships of approximately 15,000 d.w. tons per year.

The Commercial Bank of Greece, in association with various foreign shipbuilding interests, is putting up a second modern yard at Eleusis, four miles west of Scaramanga.

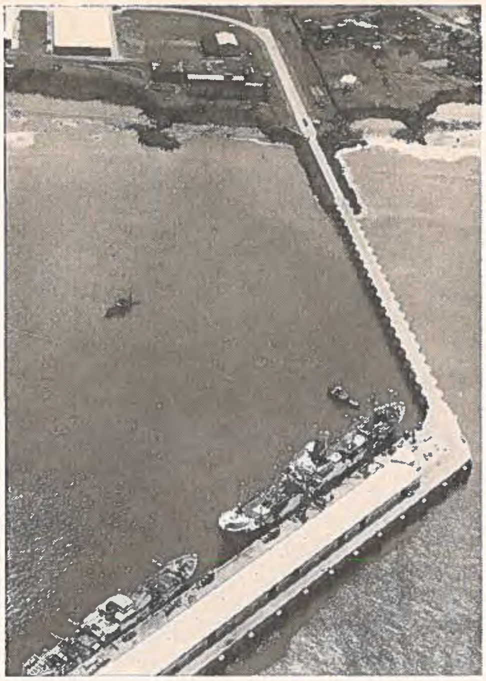
Another Greek shipowner, Mr. John Latsis, in association with the large Japanese builders Ishikawajima-Harima, has deposited a guarantee of $500,000 with the Greek Government in return for a permit to establish a modern shipbuilding yard at Pylos on the southwest coast for the repair and construction of large vessels.

Still another shipowner, John Goulandris, plans to establish, at an estimated cost of $2 million, a yard for the construction of small coastal and inter-island ships.

Despite these developments, it is clear that most of the new vessels required by Greek owners will continue to be built in foreign yards. Representatives of British, French, German, Japanese and Italian builders have been in Greece recently for talks with owners, banks, and government officials.

According to the Bank of Greece, invisible receipts from Greek shipping totalled U.S.$182.5 million in 1966, an increase of over 11 per cent against 1965, when the total was U.S.$163.8 million.

The majority of the Greek ships operate in cross trades on all the oceans, and are seldom if ever seen in Greek ports. Yet they offer employment to many thousands of Greek seamen and officers and their foreign exchange earnings, together with those from tourism and from emigrants and workers abroad, go a long way towards offsetting Greece's heavily adverse trade account.●



An aerial view of the dock at Acajutla shows progress in the building of an extended dock, storage warehouses and other port facilities.

Progress Planned for Acajutla

AS part of a plan to extend its foreign trade, the Government of El Salvador formulated a program in 1964 to improve facilities at its ports. The main one at Acajutla is the first to come under this scheme—and the most important.

Steps toward this new project were first initiated in 1965 with the approval of a Canadian loan of $3,240,000, made through the Inter-American Development Bank. El Salvador was thus the first country to be assisted under the Canadian Government's scheme to provide soft loans for use in Latin America.

Since the loan agreement was signed in May 1966, plans for the port's additional facilities have gone ahead. An important step was the appointment of a Canadian consulting engineering firm, Swan Wooster of Vancouver, as project supervisor. Experts from this company have completed working drawings which are now being studied by the Salvadorean authorities. The plans are expected to be in operation by the end of 1967.

The present port is relatively new. It was first opened to shipping in May 1961 and has steadily increased its cargo intake. In 1965 it handled some 350,000 tons of shipping. This is expected to increase to some 1.2 million metric tons a year as the port's operating capacity is extended. Local authorities consider this sufficient to take care of increased traffic needs up to 1975.

Over-all cost of the expansion is $6.2 million, half of which is to be carried by local government. The project specifically provides for:

- The construction of a pier 360 metres long and 28 metres wide, to run parallel with the existing wharf.
- Purchase and installation of a bulk loading and unloading unit and an auxiliary conveyor system.
- Construction of a bulk storage warehouse 70 metres long and 30 metres wide, with a reclaimed tunnel.
- Dredging of more than 70,000 cubic metres of sand and rock to obtain a minimum of 10 metres of depth below water level.
- Ancillary works, including a utility line, a scale pit, and two office buildings.

With the completion of this project, the new port is expected to berth six ocean-going ships at a time, compared with the two it now handles.

This port project will benefit a wide area of El Salvador and also other Central American countries through the coordination of communications systems.

Despite the rise in industrial production in 1965 and 1966, El Salvador is beginning to feel the effects of reduced exports and other agricultural problems. Construction of the new port is expected to help ease some of these economic pressures by attracting new industry and providing more employment.●

Marketing Data Sheet

BAHAMAS

Area

The Bahamas consists of 700 islands strung out over more than 500 miles. Total area 4,400 square miles.

Climate

Winter average temperature 72°F, summer 85°F. Rainy seasons, May-June and September-October. Fahrenheit scale is used.

Population

Total in 1964 was 138,000, of which 70,000 males and 68,000 females. Birth rate 32.82 per thousand.

Income

The GNP is approximately $150 million, with per capita income $1,000. Average hourly wage for government employees $1.50.

Bank Accounts

In 1963, there were 35,000 depositors.

Motor Vehicles

In 1964, there were 14,133 vehicles registered.

Radio

40,000 households have radio receivers and there is one publicly-owned radio station.

Water

Obtained by drilling down to shallow collections. Usually safe to drink. Total consumption on New Providence Island in 1963 was 2.5 million gallons/day.

Electric Power

60 cycle a.c. 120 volts one- and three-phase. A grounding conductor is required in the electrical cord attached to an appliance. The cost for domestic use varies from 6½d to 2½d per unit. For commercial use there is a charge of £8.2.0 per KVA maximum demand plus 2½d per unit. The distribution system has a ground wire. National capacity is 32,830 kw.

Coal

Not available.

Gas

LPG is available.

Petroleum Products

All imported—in 1965, 24.9 million gallons of fuel oil, 15.0 million of gasoline, 1.6 million of kerosene and 0.4 million of lubricating oil.

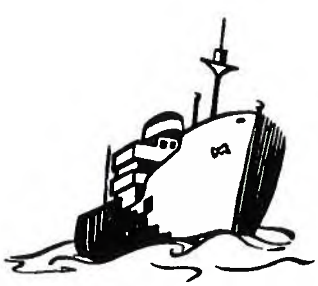
Weights and Measures

British weights and measures used.

Standards

CSA and United States Underwriters Laboratories standards are acceptable for electrical appliances. No standards for gas appliances.

underwriting your export credit needs



Insurance or financing?

EXPORT CREDITS INSURANCE

enables you to increase sales abroad by insuring against non-payment due to such risks as a buyer's inability to pay, foreign exchange restrictions, and changes in import licensing regulations. This insurance helps to solve many financing problems.

LONG-TERM EXPORT FINANCING

enables you to compete for foreign business in the capital goods field. It is available for export sales of sophisticated capital projects where extended credit terms are clearly necessary and justifiable, and where substantial sums are involved.

EXPORT CREDITS INSURANCE CORPORATION

For complete information:

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