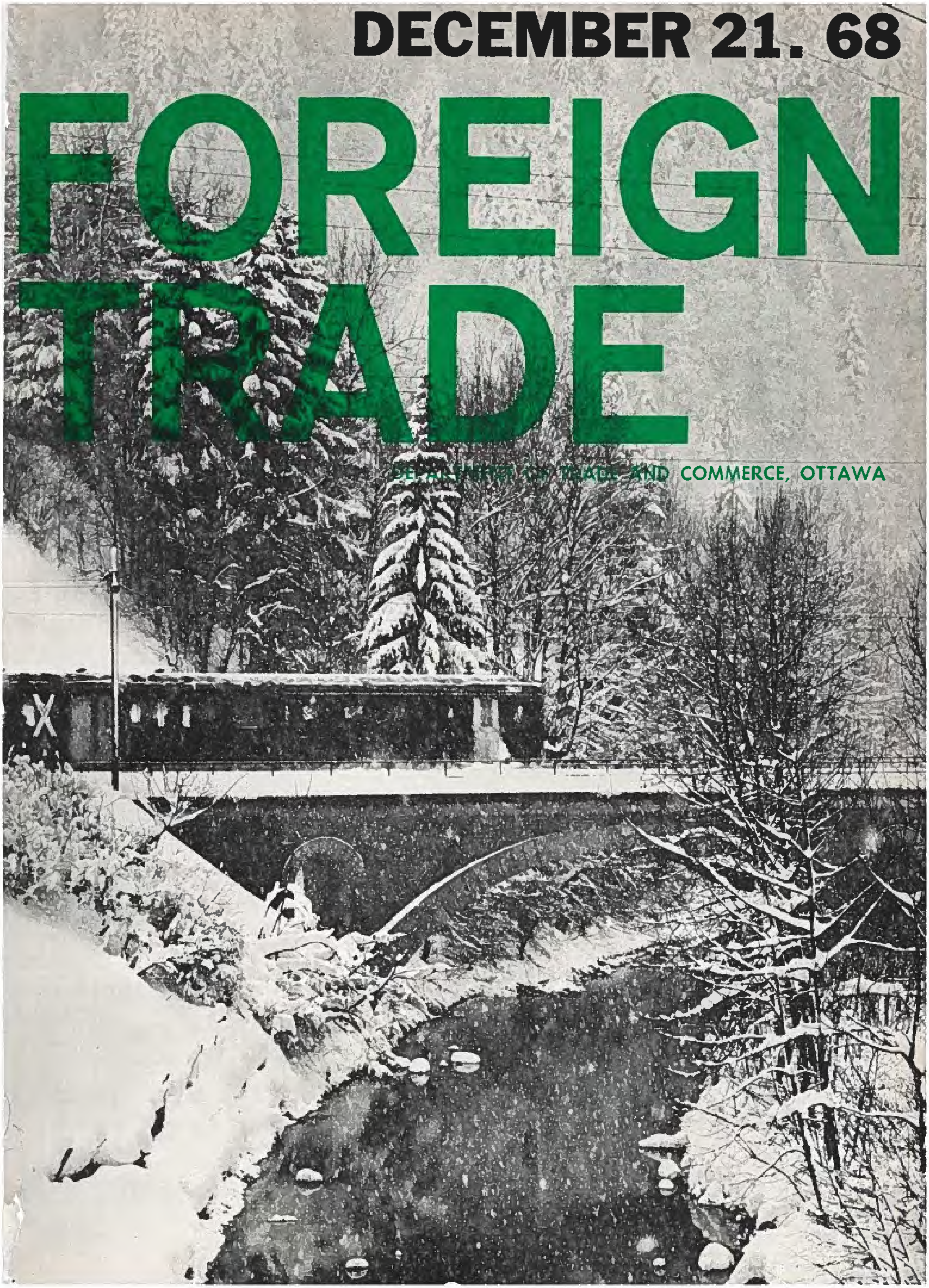
DECEMBER 21. 68

FOREIGN TRADE

DEPARTMENT OF TRADE AND COMMERCE, OTTAWA



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VOL. 130 NO. 13

Once a year we try to highlight for you trading conditions and opportunities in the EFTA countries. Usually we confine ourselves to Continental EFTA. But this year, to present the total picture, we also asked for a report from Britain, emphasizing British relations with the rest of the EFTA group and the possible effect of its EFTA connection on trade with Canada.

Nothing is ever static in the publishing world—nor in the world of trade, for that matter. The deadline for this issue was upon us when the financial crisis in Europe broke and Britain imposed an import deposit system. This meant a few changes in the article on Britain, plus the need for information on products that would not be subject to the deposit requirements. This list you will find on page 35.

When we asked for these EFTA reports, we suggested that they be brief and that they emphasize developments in the past twelve months that touch Canadian exporters most nearly. We also proposed that they be "sales-oriented", pointing out promising opportunities for Canadian products and how the Kennedy Round reductions made in January or July of 1968 have affected these opportunities. The resulting articles you must judge for yourself; we found them readable and practical.

The introductory article, prepared by the European Division of the Office of Area Relations, looks at developments within the Association during the past year and discusses, with useful tables, EFTA's trade patterns and Canada's exchanges with these countries.

This is the last issue of "Foreign Trade" for 1968 and it goes to you with our good wishes for a happy holiday season and for success in 1969, especially in export markets. Dated only four days before Christmas, it carries what we think is an appropriate cover. No, the picture wasn't taken in Canada (railway buffs will perceive this easily) but in an EFTA country, Switzerland.

Already we are planning what to offer our readers in 1969. Like other enterprises, we are responsive to the ideas and the needs of the consumer. Have you opinions about "Foreign Trade" or suggestions about information that might be included? Make a New Year's resolution to sit down and write us a letter with your comments and proposals.

FOREIGN TRADE

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DECEMBER 21, 1968

ARTICLES

DEPARTMENTS

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EFTA Offers Greater Opportunities

First stage of Kennedy Round reductions has improved access for Canadian exports at a time when EFTA living standards are rising.

■ The European Free Trade Association was set up in 1960 under the Stockholm Convention by Austria, Britain, Denmark, Norway, Portugal, Sweden and Switzerland; Finland joined in 1961 as an associate member. These eight countries, with a total population of about one hundred million, form a free trade area, as distinct from the customs union of the EEC. The free trade concept covers only industrial goods and each individual country retains its own tariff towards third countries such as Canada.

Because of the scattered geographical location of the member countries, they do not form a single homogeneous group, although Denmark, Finland, Iceland, Norway and Sweden do co-operate extensively in political, commercial and financial affairs through the Nordic Council. Iceland, not currently in EFTA, has decided to apply for membership at the next Ministerial meeting of the group, scheduled for the latter part of November.

The implementation by EFTA countries of the first stages of the Kennedy Round results in 1968 has narrowed the difference between the duty-free entry of goods from member countries and the rates of duty applicable to imports from Canada. The progress has been as scheduled, with Austria, Portugal and Switzerland instituting the first 20 per cent of their total Kennedy Round reductions on January 1, 1968, and Denmark, Finland, Norway and Sweden introducing the first reduction of 40 per cent on July 1, 1968. Further tariff reductions will take place in all of these countries until full implementation of concessions is reached on January 1, 1972.

Other significant developments in the last 12 months have been the action of Finland in removing all restrictions and tariffs on industrial products imported from member states and thereby fulfilling all the obligations of membership in EFTA, and the decision of the Parliament of Iceland to apply for membership in the EFTA.

The major disappointment to the EFTA members during this period was the lack of headway in efforts to achieve wider European integration. No progress was made in the applications by Britain, Denmark, Norway and Sweden to join the European Economic Community.

Trade Patterns Examined

EFTA/World—The expansion in trade with the outside world since the formation of EFTA continued in 1967 and carried over into the first six months of 1968, although the increases were not as marked (see Table I).

EFTA/EEC—During the first six months of 1968 imports from the EEC totalled U.S.$5,892.5 million and exports to the EEC U.S.$4,008.5 million, increases of 3.3 and 5.9 per cent over the corresponding period of the preceding year (see Table II).

Denmark, Finland and Norway imported less from the EEC during the first six months of 1968, with the reduction in Finland amounting to 13.6 per cent.

During the same period all EFTA members except Portugal increased their exports to the EEC countries. Portugal's sales to the EEC declined by 2 per cent. Norway and Switzerland achieved the largest gains in exports to the EEC with increases of 16.4 and 13.1 per cent respectively.

EFTA/Eastern Europe—Imports from the Eastern European countries during 1967 declined in Portugal by 10.8 per cent, in Austria by 6.2 per cent, in Switzerland by 6.2 per cent, and Denmark by 3.3 per cent. Imports from this area increased in Finland by 3 per cent, Norway by 3.5 per

TABLE I

EFTA'S TRADE WITH THE WORLD

EFTA/World	Full Year 1966	Full Year 1967	Six mos. Jan.-June 1966	Six mos. Jan.-June 1967	Six mos. Jan.-June 1968
			(U.S. $ million)		
Imports	35,630 (+5.4%)*	37,499 (+5.3%)	17,752 (+6.2%)	18,855 (+6.2%)	19,492 (+3.2%)
Exports	29,990 (+7.4%)	30,720 (+2.4%)	14,537 (+7.8%)	15,656 (+7.7%)	15,936 (+1.9%)
Balance	−5,640	−6,779	−3,215	−3,199	−3,556

*Per cent change over previous comparable period.

TABLE II

EFTA'S TRADE WITH THE EEC

EFTA/EEC	Full Year 1966	Full Year 1967	Six mos. Jan.-June 1966	Six mos. Jan.-June 1967	Six mos. Jan.-June 1968
			(U.S. $ million)		
Imports	11,023 (+5.7%)	11,469 (+4.1%)	5,492 (+7.0%)	5,702 (+3.8%)	5,893 (+3.3%)
Exports	7,738 (+4.4%)	7,558 (−2.4%)	3,860 (+8.0%)	3,790 (−1.8%)	4,009 (+5.9%)
Balance	−3,285	−3,911	−1,632	−1,912	−1,884

TABLE III

EFTA'S TRADE WITH EASTERN EUROPE

	1966	1967
	(U.S.$ million)	
Imports	1,732	1,744
Exports	1,383	1,583
Balance	−349	−161

TABLE IV

EFTA'S TRADE WITH THE U.S.

	Full Year 1966	Full Year 1967	Six mos. Jan.-June 1966	Six mos. Jan.-June 1967	Six mos. Jan.-June 1968
			(U.S. $ million)		
Imports	3,498 (+7.0%)	3,692 (+5.5%)	1,815 (+13.3%)	1,855 (+2.2%)	1,965 (+6.2%)
Exports	3,042 (+22.5%)	3,004 (−1.6%)	1,449 (+29.0%)	1,490 (+2.8%)	1,700 (+13.8%)
Balance	−456	−648	−366	−365	−265

TABLE V

CANADA'S TRADE WITH CONTINENTAL EFTA

	Full Year 1966	Full Year 1967	Six mos. Jan.-June 1966	Six mos. Jan.-June 1967	Six mos. Jan.-June 1968
			(Cdn.$ million)		
Exports	210	175	98	84	93
Imports	214	240	100	112	113
Balance	−4	−65	−2	−28	−20

TABLE V1

CANADIAN TRADE WITH CONTINENTAL EFTA

(excluding Britain)

Canadian Exports	1959	1966	1967	Jan.-June 1967	Jan.-June 1968
		(Cdn.$ million)			
Total	**123**	**210**	**175**	**84**	**93**
of which					
Austria	8	12	8	4	3
Denmark	6	11	16	6	8
Finland	3	7	5	2	3
Norway	62	107	87	46	47
Portugal	3	5	7	2	3
Sweden	15	37	28	13	15
Switzerland	26	31	24	11	14

Canadian Imports	1959	1966	1967	Jan.-June 1967	Jan.-June 1968
			(Cdn.$ million)		
Total	66	**214**	**240**	**112**	**113**
of which					
Austria	6	16	20	6	9
Denmark	9	24	27	12	12
Finland	1	4	3	1	2
Norway	4	34	34	17	19
Portugal	3	13	14	7	6
Sweden	18	73	76	37	36
Switzerland	25	50	66	32	29

cent, and Sweden by 1.5 per cent. Over-all imports from this area increased by only 0.8 per cent during 1967 (see Table III).

All EFTA members increased their exports to the Eastern European countries in 1967. The increases were: Finland 22 per cent, Portugal 17.9, Sweden 15.8, Britain 14.3, Switzerland 13.2, and Austria 13.1. Denmark and Norway showed smaller increases of 2.8 and 1.2 per cent respectively.

The trade deficit with Eastern European countries by the combined EFTA members decreased from U.S. $349 million in 1966 to U.S.$161 million in 1967.

EFTA/United States—Imports from the United States continue to rise, with the largest increase the 13.7 per cent jump in imports into Switzerland during the first six months of 1968. Finland during this same period reduced imports from the U.S. by 19.1 per cent compared with January/June 1967.

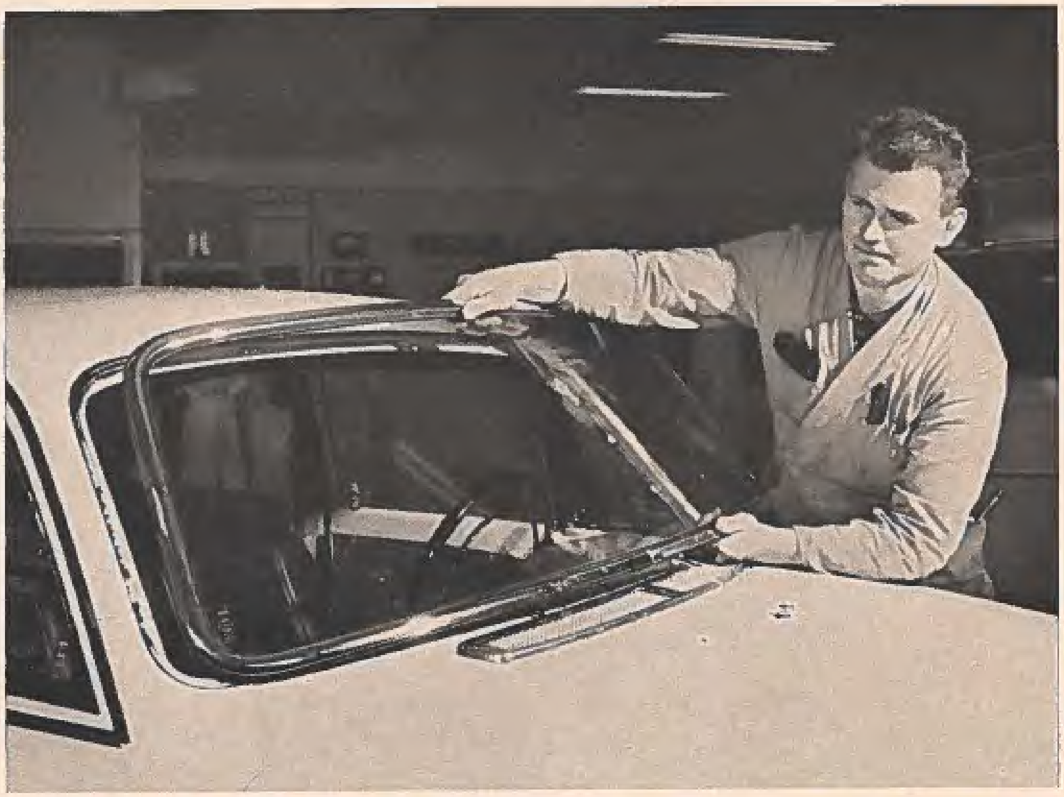
All member states increased their exports to the U.S. substantially during January/June 1968, with Portugal and Austria showing the largest increases, 25 per cent and 20.5 per cent respectively (see Table IV).

EFTA/Canada—Canada has had an unfavorable balance of trade with EFTA (excluding Britain), for several years. In 1959, the balance was in Canada's favor by some $57 million, but by 1967 the position had changed and there was an over-all deficit of some $65 million (see Table V).

Prosperity Increases Demand

The primary aim of the EFTA countries—duty-free access for industrial products between member states—has been achieved, with minor exceptions in Norway and Portugal. This has contributed to a high level of economic activity and rising standards of living within the member states. In fact, Sweden and Switzerland now have the second and third highest standards of living in the world. Portugal, although it is still the least prosperous of the EFTA countries, has doubled its standard of living since 1960.

The combination of relatively prosperous home markets and reduced tariffs against non-EFTA products offers Canadian exporters greater opportunities than ever before to sell both industrial materials and manufactured products. The markets are promising but the competition is tough. Exporters must be prepared to make an aggressive, sustained effort if they are to succeed in establishing their products in these markets and holding their own against competitors.



Canada's exports of automotive parts to Sweden are expected to reach Cdn.$4 million in 1968 and prospects for further growth are good. The picture shows Canadian window glass being installed in a Volvo car on the production line at the company's plant in Goteborg, one example of our success there.

Britain: a Changing Market

British imports of manufactured goods rising.
Effects of deposit requirements not yet clear.

K. D. TAYLOR
Commercial Secretary, London

■ Canadian businessmen currently appraising sales prospects in Britain must take into account British Government actions to improve the country's balance-of-payments situation. Devaluation of sterling in November 1967, a stern budget in March 1968, and the import deposit requirements and restrictions on credit announced in November 1968 all point to a squeeze on British imports. Details of the latest British measures are published on page 35 of this issue. The effect of the latest British measures on imports is not yet apparent but up to the time they were implemented the level of imports had continued to be high. Canadian firms are at present reviewing means whereby they can continue to export in this new situation.

The bill for foodstuffs and basic materials accounts for about one-half of Britain's import dollar volume and about 85 per cent of imports from Canada. Traditionally, foodstuffs and basics have been regarded as complementary to British domestic production. But recently there has been editorial comment calling for a review of food imports with an eye to import substitution (see the table).

Imports of semi-manufactures and finished manufactures are rising more rapidly than those of foodstuffs and basics. Imports of semi-manufactures in 1967 were two and one-half and finished four times their 1958 value. Finished goods imports currently total about $4 billion a year, with consumer goods accounting for a quarter and machinery a half of the total. Here is where Canadian exporters can profitably focus their attention. By 1970 it is expected that imports of all finished manufactures will rise to a fifth of total British imports. Chemicals, metalworking machine tools, consumer goods and textiles are all segments where British demand is growing dramatically. Canadian firms are already selling such diverse equipment as scientific instruments, jewellery fittings, dishwashers, bulletproof vests and greeting cards. Despite the range of sales, British importers can still be educated in terms of looking at Canada as a source of products other than food and basic materials.

The spiral of imports of semi- and finished manufactures is similar to that experienced by other industrialized countries. The issue confronting the British Government is that, with Britain counting on running a surplus on the balance of payments at the rate of £500 million a year by some time in 1969, some import substitution would be welcome.

Trade with EFTA Countries

For the purposes of this special edition of *Foreign Trade* a review of the performance of some of Canada's competitors, Britain's fellow EFTA members, deserves special attention.

To put the EFTA relationship in perspective, during 1967 Britain's imports from EFTA reached $2,590 million, an increase of 9.9 per cent over 1966; world imports by Britain in 1967 totalled $17,742 million, an increase of 6.6 per cent over 1966. The rate of growth of British imports from EFTA 1959-1966 was 8.2 per cent against a rate from the world of

MAJOR BRITISH IMPORTS 1967

Commodities	Value *(Cdn.$ million)*	Volume *(1960=100)*	From Canada *(Cdn.$ million)*
Food	4,833	104	273
Beverages and tobacco	462	104	43
Basic materials	3,039	101	168
Fuels	2,193	t66	—
Chemicals	987	168	16
Textiles	546	168	13
Metals	1,680	168	387
Machinery and transport equipment	2,601	168	25
Other manufactures	2,718	168	12t

Major Competing Exports from the Scandinavian Countries and Canada to Britain 1966

Commodities	Canada *(U.S.$ million)*	Scandinavia	Scandinavian share in British imports *(per cent)*
Meat	5.4	269.1	78.7
Fish	20.6	38.4	25.6
Wood, shaped or simply worked	94.5	142.7	33.1
Pulp and waste paper	35.6	228.8	70.4
Ores	23.7	56.1	35.3
Paper and board (newsprint)	48.9	174.8	55.2
Iron and steel	10.9	69.4	30.9
Copper, aluminum, lead and zinc	240.0	94.6	11.1

90518—2½

5.4 per cent, from the EEC of 9.8 per cent, from the United States of 9.9 per cent and from Canada of 4.5 per cent. Despite the comparatively slow rise by EFTA standards of British imports in recent years, Britain is still the largest export market in EFTA for all countries except Austria, whose main trading partner is Switzerland.

Of some comfort to competitors in the British market is the fact tbat many of the manufactured commodity groups of importance in intra-EFTA trade are not responsive to tariff changes. Competition is often non-price in nature and demand is cyclical. Design, delivery dates, standards, familiarity and servicing are the crucial factors so that preferential tariff treatment is of little advantage. But a distinct competitive edge over Canadian suppliers is afforded by the advent of new shipping services across the English Channel and North Sea. Roll-on and roll-off and container services have developed and are now supplemented by British inland freight terminals. This advantage will soon be narrowed, however, with the growth of container services across the Atlantic.

Scandinavian-British Trade

Of the EFTA countries, Scandinavian trade with Britain is most pertinent to Canada. Canada's economy, like those of the Nordic countries, is complementary to that of Britain to a considerable degree.

Scandinavian exports to Britain rose 63 per cent between 1959 and 1966, lagging behind the intra-EFTA trade rate of growth of 110 per cent. Food and raw materials account for about 60 per cent of the trade flow with each country, with Britain taking 30 per cent of total Scandinavian exports of these commodities. The growth segment of Britain's imports, semi- and finished manufactures, makes up much less—15 per cent of Scandinavia's share in exports of semi-manufactures and 7 per cent of finished manufactures. In all, Britain's share of total Scandinavian exports has fallen from 20 per cent in 1959 to 17.4 per cent in 1966. The table illustrates percentage change and the share of Scandinavian exports to Britain which compete with Canadian.

The Scandinavians are making strenuous efforts to regain their former share of the British market, particularly in manufactures. Recently Finland held a "Fashion Week" in London featuring women's apparel, Denmark a "Danish At Home Week" based on furnishings, home accessories and food, and Sweden an in-store promotion at Selfridges. For enterprise and imagination, take Finland's "Finnfocus" show in October. A 10,000-ton car ferry was anchored near Tower Bridge in London and aboard were 150 eager Finnish exporters with samples to convince buyers of Finland's strength in fashions, furs, textiles and jewellery.

Scandinavian furniture is already well established in Britain and now clothing, benefitting from duty-free entry, is also making an impact—some at the expense of dutiable Canadian exports. Yet, duty-free entry for consumer goods from EFTA has not broadly influenced buying habits because of the popularity of the modern, functional design of Scandinavian products and the prestige attached to ownership of them.

Turning from consumer goods, Canadian lumber and plywood exports have not been disturbed by Britain's EFTA links, although EFTA dominates the forestry products market in Western Europe. Of total EFTA forest product exports, one third goes to the EEC, about 30 per cent moves within EFTA and the remainder goes overseas. Unlike lumber and plywood, Canadian pulp and paper products are finding competition from Sweden increasingly severe. This is underlined by figures showing that in paper and board products, trade within EFTA

Delamere and Williams Co. Ltd. of Toronto jetted this consignment of high-speed tea-bagging machines across the Atlantic so Britishers could make a "cuppa" quicker.

increased more than twice as fast as trade with non-member countries. The same trend developed within the EEC, reflecting the extent of tariff discrimination in intra-European sales of forest products. Apart from the detrimental influence of tariff preference on Canadian competitiveness in these products, the factors of surplus industry capacity and pricing policies since devaluation must be recognized.

The key issue in the metals and minerals industry is the aluminum trade. Copper sales are up, but mainly because of increased prices. The aluminum question centers on the establishment of smelters under grants in Britain which may influence the flow of exports from Norway and Canada.

Switzerland-Britain

British imports from Switzerland have increased more rapidly than those from EFTA as a whole. The greatest percentage of trade between Britain and Switzerland is in sophisticated manufactured products, so further growth and direct competition with Canada can be expected. Organic chemicals, textiles, precious stones, machine tools, textile machinery and electrical equipment are the major Swiss exports.

To help promote exports and maintain an image in London, a new Swiss Centre has been erected off Leicester Square. A Swiss tourist center, restaurants, banks and airline offices are all housed in the eight-storey building.

Austria and Portugal

Although a comparatively small proportion of Britain's total EFTA trade is conducted with Austria and Portugal, a varied range of products is imported. Food, fish and textiles from Portugal, iron and steel, clothing and jewellery from Austria are the principal ones that compete with Canada for a share of the market.

The tables illustrate the situation further and the competition that Canada faces (see page 5).

Norway: Opportunities Are Broadening

Canadian sales likely to set a record in 1968.

DENNIS B. BROWNE, *Assistant Commercial Secretary, Oslo*

■ Canadian exporters in all likelihood will establish a new record for sales to Norway in 1968; the previous one, $107 million, was set in 1966. Last year our exports settled back to $87 million but during the first six months of 1968 export sales ran 9.8 per cent ahead of those for the corresponding period of 1966 and 22 per cent ahead of 1967.

If your company is not already participating in the Norwegian market, the question in your mind must be how to get a share of it. To answer this question, Norway and its economy, the nature of Canadian trade there, and the apparent prospects for Canadian suppliers must be examined.

About 70 per cent of our exports to Norway consist of copper/nickel matte shipped to a Canadian-owned refinery. Thus the real interest for purposes of this article is limited to the remaining $30-$35 million. It is interesting to note that although total exports have increased 22 per cent over the first half of last year, shipments of metals for refining have increased only 5.7 per cent, according to official Norwegian statistics.

The Dominion Bureau of Statistics classifies the non-matte exports totalling $30.5 million in 1966 under 241 statistical headings. Of these, only 31 showed sales of over $100,000. This classification gives a good introductory picture of the Norwegian market for Canadian goods. There are opportunities but they are widely scattered and most goods are shipped in fairly small quantities.

What Canadians Sell

During the past few years, our major exports (other than metals for refining) have been copper wire bars, wheat, military weapons, rye, alumina, aircraft engines and parts, apples, and barley—each of which exceeded $700,000 in 1966. Most of these and the other items exceeding $100,000 were raw materials, agricultural products or, at best, semi-manufactures. For the first half of 1968, a slight trend towards more fully manufactured goods is clearly discernible. Compared with the first half of 1967, there were significant gains in exports of plywood, papermakers' felts, parts for chain saws, pulp and paper making machinery, automobiles and parts, aircraft engines and assemblies and parts, commercial communications equipment, outerwear, sporting goods, pharmaceuticals and medical products, shrimp, apples and sealskins. Sales of Canadian wallpaper, onions and dried peas showed a steady growth. On the other hand, sales of honey, cloverseed, tire and tube repair materials, yarn and thread, plastic and synthetic rubber, alumina and aluminum pigs, ingots, etc., various types of machinery, navigational instruments, computers and military weapons lost some ground.

The record shows and the experience of the Oslo office indicates that the best potential for growth lies in instruments or machinery and parts for use in Norway's growing industries. There are prospects for selling agricultural products but they are seriously limited by strict government regulations designed to protect the Norwegian farmer. For example, two products that have previously been good sellers, apples and honey, will probably not be exported to Norway this season because local crops are good and shipments are prohibited until domestic production is consumed. Similarly, a fairly broad range of consumer products may be successfully sold here, but customs duty preferences for neighboring EFTA-member countries and shorter delivery times from these countries are limiting factors.

The Business Climate

Our sales prospects naturally depend directly on business conditions in Norway. In 1967 Norway was one of a very few European countries to maintain a high level of economic activity, with a growth in gross domestic product of 5.3 per cent. In fact, throughout the 1960's the country has enjoyed a combination of full employment, a high rate of growth, and a balance-of-payments strength that is virtually unique in the industrial world.

Norway's economic strength may be partly ascribed to fortuitous circumstances in the shipping sector (including closure of the Suez Canal) and inflows of foreign capital that helped to maintain a high level of investment. Significant amounts of Canadian capital are invested here, particularly in the metal-refining industries.

Real growth in 1968 is expected to fall below the average of the preceding years of this decade, partly because of a reduction in the work week. None the less, it is likely to remain close to previous levels because the upswing in the international business cycle is stimulating commodity exports and the shipping industry is still benefitting from relatively high freight rates.

Although short-term prospects are reasonably satisfactory, Norway's medium-term outlook is less reassuring. In spite of the undoubted efficiency of its merchant marine, earnings from shipping (a very important sector of the economy) are expected to decline, as a result in part of reduced freight rates and the large numbers of new ships scheduled for delivery to competing nations.

Furthermore, the international competitiveness of Norwegian industry is expected to decline during the next few years. The recent increases in unit labor costs (7.7 per cent in the period 1966-67) have been considerably higher than in other European countries. Keener competition from countries that have devalued is likely to coincide with a more rapid growth in industrial costs in Norway (where full employment has persisted) than in a number of other industrial countries able to increase output with less strain on productive resources.

An engineer checks the propeller of a new ship built in a nearby Oslo yard. Despite the efficiency of Norway's merchant marine, declining world freight rates will probably result in lower earnings in coming years.

The devaluations have hit hardest those export industries such as paper, pulp and fertilizer which have been facing structural and marketing problems or rely greatly on the British market. The fisheries and pulp and paper industries suffered because they could not raise their prices to the full extent of sterling devaluation. On the import side, home industries, particularly producers of textiles, clothing and other finished goods, are facing greater price competition than before.

A recent study by the International Monetary Fund predicted no increase in total imports of goods, including ships, over the 1967 rate in the short term. However relatively few contracts for new ships have been placed since the summer of 1966 so imports of other goods should increase by a reasonable amount.

Effect of Duty Reductions

The elimination of customs duties on most goods from EFTA-member countries and Norway's application for membership in the EEC, both in 1967, had the effect of diverting the attention of importers from non-European countries to sources of supply within EFTA and the EEC. The efforts of the Oslo office then met with increased buyer resistance. However the failure of Norway's EEC bid and the successful conclusion of the Kennedy Round helped to reawaken interest in overseas suppliers and improved our export prospects.

The 50 per cent duty reductions on furs, aircraft engines and parts, certain types of machinery including office machines, navigational instruments, and motor vehicle parts and accessories resulting from the Kennedy Round negotiations are all of particular interest to Canadian suppliers. These reductions are especially significant because customs duties in Norway are levied on the c.i.f. value and the long freight haul from Canada adds to tariff barriers.

In summary, economic conditions in Norway have been excellent and should continue to be reasonably favorable. Canadian exports to Norway increased during this decade from \$62 million in 1960 to \$107 million in 1966, a figure that will probably be exceeded in 1968. The composition of our exports to this market is slowly changing to include more fully manufactured goods.

Entering This Market

Exporters wishing to enter the Norwegian market may be guided by a few simple rules of thumb. If your product is a standard commodity, price, quality and delivery terms are all-important. If you produce a consumer product readily available from suppliers nearer to Norway, you will generally have to offer a significant price advantage to succeed. Fashion goods have traditionally faced difficulties here but as interest in foreign designs increases, these difficulties are diminishing in importance. The Oslo office can usually find agents or distributors for the above goods after receiving c.i.f. price quotations, complete product descriptions and, if feasible, representative samples.

If, on the other hand, your firm produces sophisticated instruments or machinery or equipment for industrial use, the Trade Commissioner can provide introductions to prospective representatives but a personal visit is the best way to introduce the product and ensure a good sales volume. This was proved recently by a group of Canadian businessmen who visited Oslo. They were selling such things as automobile parts, welding equipment, hospital equipment and scientific instruments and some of the firms had been trying to sell through correspondence for some time but without success. All of them were successful during their short visit.

Exporters should also remember that Norway is a small market. The country has only 3.8 million people and the largest metropolitan area has a population of less than 500,000. The minimum shipments should not be too large. Norway has a high standard of living but the population has had to be frugal for many years and value for cost is very important. Despite the relatively narrow industrial base, its industries are forward-looking and prepared to invest in sophisticated equipment. Working capital is not plentiful and although initial sales might be made against letter of credit, continuing business is generally done on terms of 30 days or longer.

Exporters who bear these factors in mind will find that there are prospects for Canadian goods in Norway. They will also discover that Norwegian importers are generally forthright and do business in much the same manner as Canadians do.

Is This Tomorrow's House?

■ A prototype research house built recently at the Forest Products Laboratory in Madison, Wisconsin, is literally glued together. This has helped to cut the superstructure cost by from 10 to 15 per cent. The structure, called "Nu-frame", uses only about 6,000 nails; a conventionally-built house the same size would require about 30,000. The 28-by-40-foot house consists of five basic wall and roof components which were planned for assembly production methods. The nails used in the house are to hold the parts together until the adhesive can cure to form a solid bond. Roof components consist of factory-glued lumber and plywood with a plastic weather surface and are fastened to roof trusses with gunned-on mastic adhesive. The exterior wall component is a glue-bonded combination of lumber and siding. Wall components of fiberboard diaphragm are glued to the studs, which are in pairs four feet apart.

Electronics for Cars

■ The automotive industry is the latest market to feel the impact of electronics. Excluding radios, an estimated \$14.4 million worth of electronic equipment went into 9 million cars last year. The 1968 total should exceed \$20 million worth of alarm systems, sequential flashers and integrated-circuit voltage regulators. It is estimated that by 1971 Detroit will be spending more than \$50 million on electronic devices, including electronic tachometers and speedometers, engine performance analyzers, failure sensors.

Auto radio sales in 1967 amounted to 9.5 million units worth an estimated \$250 million. This included 622,000 foreign-label imports. Japan supplied 78 per cent of all imported auto radios with sales of \$8.6 million, 235 per cent more than in 1966. Electronic products imported duty-free from Canada under the Automotive Products Trade Act totalled \$13.5 million in 1967, an increase of 158 per cent over 1966, according to the U.S. Electronics Industries Association.

Sweden: Sell to Industry

Expanding industry makes it best potential customer for Canadians.

D. S. ARMSTRONG, *Commercial Counsellor, Stockholm*

■ It is worth pointing out that, after 36 years of socialist rule, only about 5 per cent of the Swedish economy is state-owned and that no increase is expected in the future. The State seems able to maintain extensive social welfare benefits without interfering with the ability of industry to compete with imports at home and in markets abroad. It would take a good deal of space to describe how this is done but one secret of success is low tariffs on manufactures—cut even lower by the Kennedy Round—and an absence of subsidies. The Swedes are ruthless about industrial rationalization and closing down enterprises that lose money and the result is an efficient, expanding economy.

Another secret is stability, not only in politics, but in labor-management relations where all accept the fact that strikes and lockouts benefit no one, where automation is welcomed, and wages go hand in hand with productivity. In addition, ever since Alfred Nobel invented dynamite, the Swedes have invested substantial sums in research and development—4 per cent of total processing costs for industry as a whole. Thus they are able to maintain and raise their already high standard of living, (second in the world) in an increasingly competitive environment.

Problems Appear

No country operates in a vacuum and Sweden cannot insulate itself completely against world economic trends, especially those of its European neighbors. The dominant influence recently has been the recession that struck most of Western Europe in 1966, particularly West Germany, Sweden's best customer and chief source of imports.

In spite of strenuous efforts, Sweden's economic activity in 1967 did not develop as predicted. When it became clear that demand would not increase sufficiently, efforts were made to maintain winter employment and funds were released to stimulate industrial investment. Although these measures created an estimated 120,000 jobs, the 1967-68 winter unemployment figures were higher than they have been for many years. In consequence, man/days worked decreased more than 5 per cent but a near record 8 per cent increase in productivity resulted in a gain of 2 per cent in the Industrial Production Index, the lowest in the last decade.

Because of measures taken internally and improvements in economic conditions externally, this year should see a moderate rise in the GNP. Four per cent is predicted, the biggest increase since 1964, and this is being sparked by such industries as metals, mining, engineering and pulp. The bank rate was reduced in October to

Raw materials and producers' goods are not the only things we export to Sweden. Canadian frozen salmon is highly esteemed and sells there to the tune of Cdn.$500,000 a year. The picture shows a consignment being inspected on arrival. On the left, E. C. H. Shelly, Assistant Commercial Secretary in Stockholm.

a more normal 5 per cent and prices have advanced at the slowest rate in ten years.

Only the most generalized predictions are being made for 1969, mainly because the outcome of the labor-management negotiations recently started is unknown. These involve nation-wide bargaining for virtually all industry. In 1966 a three-year contract was signed providing total increases in hourly pay of 25 per cent. There is concern even in labor circles that Swedish industry is in danger of pricing itself out of the market. Since exporting is at least as important to Sweden as it is to Canada, the outcome is vital to a healthy economy. The indications are that the new contract will provide for wage increases of about 6 per cent per year.

Trade and the Kennedy Round

Canadian exports to Sweden in 1967 dropped to Cdn.$27.8 million from the previous year's record $36.6 million. The biggest reduction, almost one half, occurred in crude materials, metals and minerals, which account for about one-third of Canada's export trade with Sweden. Exports of fabricated materials continued their steady decline. Exports of end products increased, partly because of Swedish purchases of automobile parts. Swedish imports in the foods sector continued their steady yearly increase.

In the first eight months of 1968, Swedish imports from Canada totalled Cdn.$21 million. This represented a recovery of more than 10 per cent from the 1967 dip when they fell below $19 million, or less than in 1964 and 1965, but still well below 1966. The 1968 increase resulted primarily from high Swedish purchases of non-ferrous metal semis which, at $6.5 million, were three times as large as in either 1967 or 1966. Imports during the first half-year are usually slightly less than half of a full year's imports.

With few exceptions, two-fifths of the negotiated Kennedy Round tariff concessions were put into effect on July 1, 1968. For a product which originally carried a 10 per cent duty and on which a 50 per cent tariff reduction had been negotiated, the duty now is 8 per cent. Further reductions of one fifth are planned for 1970, 1971 and 1972, thus reducing the tariff in this case to 7, 6 and finally 5 per cent. For certain tropical products from developing countries, the concession was effected in one cut.

The Kennedy Round of tariff cuts is not expected to change Canada's trade with Sweden appreciably. The main reasons are that Sweden's import duties on manufactured goods are already low, that duties on non-agricultural products from EFTA countries have been eliminated entirely, that Canadian exporters and their non-EFTA competitors are in the same relative position vis-à-vis tariff treatment in Sweden, and that levies on agricultural imports were left relatively unchanged by the GATT negotiations. In theory, lower duties as a result of the Kennedy Round should permit Canadian exports to compete more effectively with Swedish domestic production; in practice Sweden's manufacturers have minimal tariff protection and the Kennedy Round means more to their exports than to the country's imports. More specific information can be obtained by referring to the July 1, 1967, edition of *Foreign Trade* or by contacting the Department of Trade and Commerce in Ottawa.

Where Opportunities Lie

What products can Canada best sell in Sweden? First let it be emphasized again that, apart from certain agricultural products, tariffs are low—the lowest in Europe—and they will be even lower in the next few years.

SELECTED CANADIAN EXPORTS TO SWEDEN

	1966	**1967**	**(8 months) 1968**
	(Cdn.$'000)		
Copper, ores, concentrates and matte	9,716	4,tt7	4,585
Metal bearing ores n.e.s.	2,485	566	2,017
Parts and accessories for motor vehicles	517	2,328	1,770
Molybdenum in ores and concentrates	—	1,024	1,693
Nickel in oxide	3,t36	2,12t	1,190
Zinc blocks, pigs and slabs	—	1,400	938
Papermakers felts, textile	98	430	597
Sausage and similar meat casings	493	746	437
Card punch sorters, tabulators, computers and parts	413	393	381
Douglas fir plywood	88	227	292
Salmon frozen	t87	56t	28t
Plastic and synthetic rubber not shaped, n.e.s.	930	699	277
Silver in ores and concentrates	464	211	263
Lobster and products canned	276	336	248
Asbestos	976	588	23t
Metallic salts of inorganic acids	403	—	189
Printing and bookbinding machinery and parts	1t	118	188
Components for communications equipment n.e.s.	223	27t	t78
Ice skates	t27	111	t72
Apples and crabapples, fresh	724	376	t7t
Hoisting machinery and parts n.e.s.	1,t43	t,038	152
Whisky	266	167	152
Shellfish fresh and frozen n.e.s.	—	12	146
Passenger autos and chassis	1,08t	352	t38
Copper refinery shapes	38t	799	133
Measuring and testing equipment and parts n.e.s.	tt5	t87	128
Fur goods, apparel	255	352	12t
Fish offal and waste n.e.s.	349	259	118
Parts and accessories for chain saws	t02	105	tt6
Meat cured n.e.s.	309	168	115
Cattle hides, raw	67	182	10t
Spark plugs and parts	159	150	59
Sheet and strip steel n.e.s.	46	15t	44
Total this group	25,540	20,545	t7,62t
Total exports	**36,574**	**27,808**	**20,933**

Sweden is a highly industrialized country; industry proper is responsible for more than 40 per cent of the GNP compared with 31 per cent in Canada. The climate, purchasing power and business methods are not dissimilar to those in Canada and import buying is a good deal more centralized—and hence easier for the visitor—in Sweden.

Second, examination of what is being imported from Canada shows that the volume business, as mentioned before, is in metals and minerals—copper, nickel, zinc, molybdenum, tungsten, asbestos, steel. These rise and fall in direct response to supply and demand. Canada enjoys a growing market for lobster, shrimp, and frozen salmon. There is also a steady demand for such diverse food products as horsemeat, edible offal, fish waste, sausage casings, apples, etc. In consumer goods, there is an established market for hockey skates and sticks (but competition is increasing), a spotty market for outdoor clothing (but steady for fur apparel), and a growing market for snowmobiles. Apart from this short list, opportunities for consumer goods are limited by domestic and European competition, different standards (as for electricity), and differences in taste and style.

Third—and here is where the best prospects lie—Sweden's industry does not make everything; in fact, imports of sub-assemblies, components and specialties for industry are substantial. These items are hard to define but the trade statistics show Canadian exporters are selling papermakers' felts, automotive parts, chemicals, medical equipment, laboratory instruments, measuring and testing equipment and a host of "accessories and parts, n.e.s." Manufacturers with a unique, patented product now being sold to industry in Canada will find a receptive buyer—or three or four—in Sweden.

Specific information on opportunities and how to pursue them is contained in articles in *Foreign Trade*—"Selling in Sweden", November 12, 1966, "Selling to Industry", October 14, 1967, and "The Market for Catering Equipment", November 9, 1968.

Finland: Unexploited Market

Canadians sell less than they could here, as U.S. competitors prove.

NORMAN PARSONS, *Commercial Assistant, Stockholm*

■ It is only a generation since the Finns were using tree bark to make their bread go farther. Today's Finns are more affluent; their living standard gives them a ranking in the top 15 countries, according to the World Bank. But although people in Finland are well off, their government is facing serious problems. To keep up with its Nordic partners, imports have been liberalized although the country is running a trade deficit.

Finland also suffers from severe inflation and wages have doubled since 1958. Finnish exports have doubled during the sixties, helped recently in Sweden and Britain by well-planned consumer campaigns featuring Finnish design, food and textiles. Imports, however, have outstripped them by a wide margin year after year. Moreover, despite the growth of new industries, Finnish exports are narrowly based—over 70 per cent consists of

WHAT CANADA EXPORTS TO FINLAND

	Average 1961/62	1966	1967
	(Cdn.$'000, f.o.b.)		
Total Canadian exports to Finland	**5,662**	**7,078**	**4,661**
Food	2,979	3,413	1,299
of which			
Wheat	2,792	2,898	660
Tobacco	42	19	234
Fish	13	130	188
Apples, fresh	107	75	172
Seeds—clover and grass	17	61	43
Materials, crude and fabricated	1,734	1,676	1,714
of which			
Plastics resins, synthetic rubber	334	245	407
Asbestos fibres	167	99	124
Hides, raw	—	104	116
Wood pulp	66	61	48
Papermakers' felts	8	207	300
Non-ferrous semis	373	15	235
End products	949	1,989	1,648
of which			
Chain saws and parts	246	341	286
Aircraft engines and parts	48	278	266
Cars	2	557	120
Packaging machinery	—	—	119
Engines n.e.s., turbines	—	48	109
Hoisting machinery	—	166	91
Card punch equipment	12t	82	89
Auto tires and tubes	—	27	77
Medical products	—	30	60
Pulp and paper machinery	67	37	53
Ice skates	19	48	51
Toys	—	94	30
Sports equipment n.e.s.	—	26	21

forest products, subject to fluctuating world prices.

Problems Are Acute

Finland's problems—inflation, capital shortage, trade deficits, overspecialized exports, unemployment and drift from the land—are familiar elsewhere. However in 1967 all six problems became acute. How acute may be judged by that year's substantial currency devaluation. Production, productivity and investment rose little during the year, but wages, prices and consumption rose rapidly; the rise in consumption centered around imported goods.

Improved results are confidently expected for 1968 and 1969—a surplus in the balance of payments, stabilization of wages, prices, rents and even taxes, a 5 per cent annual increase in industrial production (especially in steel, electrical engineering and chemicals), and a series of joint ventures with Swedish industries.

Canada Lags Behind

What is Canada selling in Finland and how much more could our exporters sell there? A fair argument may be put up that existing Canadian exports to Finland—not including wheat—could be at least doubled to $8 million a year.

One way of measuring what is being done and what could be done is to compare Canadian and United States exports. Canada's sales to Finland are only one-tenth of those from the U.S. The U.S. sells Finland 25 times more manufactured goods than Canada does, 50 times more clothing and paper products, and 150 times more scientific and industrial instruments, including clocks. Finland's purchases from Canada vary; they disappear and reappear from one year to the next, suggesting an absence of systematic sales and long-term effort.

Is the market for Canadian products in Finland really so limited? Only a half of one per cent of Finnish imports come from Canada and only a quarter of one per cent of imported manufactured goods. At current prices, the value of Finnish imports from Canada in 1967 was exactly the same as five years ago, yet over the same period total Finnish imports rose 50 per cent. (Canadian exports to Sweden rose 80 per cent over this period and those to Denmark 150 per cent.) There are a few encouraging features. The value of Canadian manufactures bought by Finland doubled over the same five-year period but the market still remains a very small one for Canada, with a big unexploited potential.

Finland is admittedly a small market, but its 4.7 million people import far more per head than larger countries such as Britain and Germany. Again, Finland is a market that is normally covered by a single representative in Helsinki, whereas bigger countries require more than one agent or, alternatively, a general agent and sub-agents for several market areas.

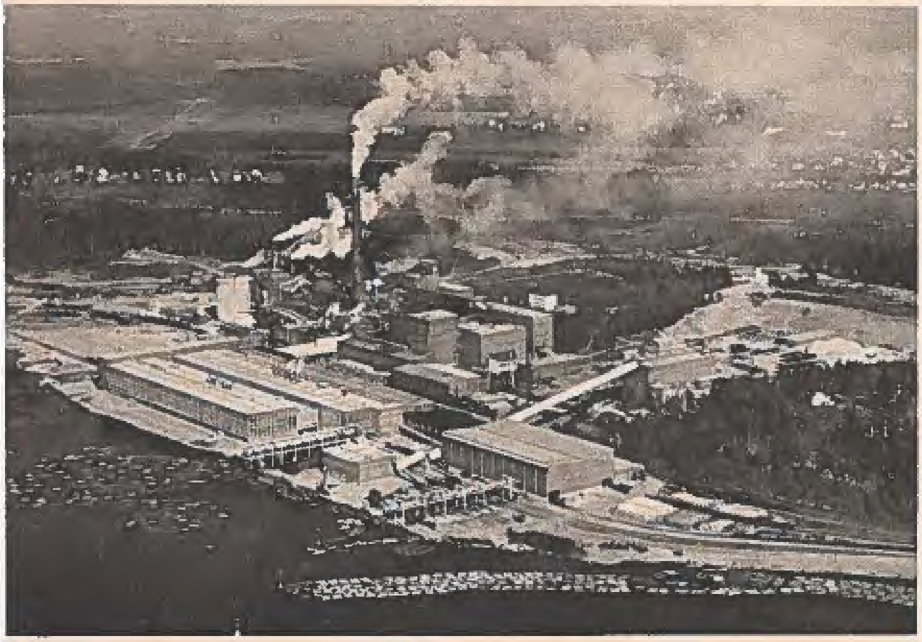
Pinpointing Opportunities

Finland has had currency difficulties and import restrictions have been abruptly imposed; this instability may possibly continue. But these problems confront all suppliers to Finland, including those in EFTA whose goods can enter duty-free. Moreover, Finland, like other signatories of the Kennedy Round, is reducing its tariffs; two-thirds of most existing tariffs were abolished in July.

Finland is not yet a fully industrialized economy, but is still dominated by agriculture and forestry. Development is rapid, with special interest in industrial products that can reduce dependence on the traditional timber and pulp and paper. The resulting receptiveness to new suppliers and products can make this a market easier to enter than one with a more established structure and pattern of supply.

Kennedy Round reductions will have a marginally useful effect on Canadian opportunities for products mainly supplied from EFTA countries —Britain, Sweden and Denmark in particular. The main factors in success in Finland continue to be a determination to effect prompt and reliable deliveries, to adjust prices to meet local requirements (which change), and to work the market with something of the same systematic thoroughness that is applied to sales at home in Canada.

Finland is off the beaten track of a European tour, but the facility with which marketing arrangements can be established more than compensates for the extra travelling time—an hour's flight from Stockholm or 1½ hours from Copenhagen. When you are tackling the Nordic group of markets, don't forget Finland.



Here in Finland is Europe's largest pulp and board mill with a capacity of 250,000 tons. Enso-Gutzeit Oy which owns it has almost half the shares in the Eurocan Pulp and Paper Co. Ltd. whose British Columbia mill is scheduled to come on stream in summer 1970.

Denmark:

Industry Buys More and More

It looks for specialized equipment, primary and semi-processed materials.

W. R. HICKMAN, *Commercial Counsellor, Copenhagen*

■ Denmark, a small but affluent market, relies increasingly on Canada for materials required by its rapidly expanding manufacturing and construction industries. Agriculture and the food-processing sector also draw heavily on Canadian sources for their residual needs. Trade in finished goods is conducted on a smaller scale, but exports of specialized machinery and apparatus and specialty food products have shown an encouraging increase. Undoubtedly there are prospects for the further development of export sales as Danish importers and users become better acquainted with the capabilities of Canadian industry.

Industry in Denmark, which so largely shapes the demand for imported materials and equipment, has undergone remarkable growth and diversification in the past decade and now surpasses agriculture in both production and export performance. To give some perspective, industrial output is running at about $5 billion, twice the level of ten years ago. It accounts for some 20 per cent of the gross national product compared with less than 10 per cent for agriculture.

The heavy injection of investment capital needed to sustain this expansion has slackened in the past two years as a result in part of anti-inflationary steps. The expansion in industrial production consequently is tapering off this year but will get some stimulation from the recent easing of monetary restrictions, including successive cutbacks in the official discount rate to its present level of 6 per cent.

Import Pattern Changing

The range of Danish industrial output and exports is wide and growing wider, with an attendant influence on the pattern of imports. Led by machinery and instruments, some of the production and export categories which have made gains are chemicals and pharmaceuticals, textiles and clothing, metal products, electronics, and of course the highly regarded Danish furniture, foods and beverages. Leaving out canned meat (of which Denmark is Canada's leading supplier) and dairy products, exports of manufactured goods in 1967 reached $1.4 billion, a big jump from the $500 million of ten years ago and over one-half of all exports last year. Fifty per cent was sold to other EFTA countries, 23 per cent to the EEC, 7 per cent to the United States and 1 per cent to Canada.

Generated by the needs of expanding industry as well as some shortfall

The picture shows a Danish radiometer in the laboratory. Canadian manufacturers of measuring and testing devices which complement those made locally find a receptive market.

in agricultural production, Danish imports of raw and semi-processed materials and capital goods have risen sharply. Imports in 1967 totalled $3.1 billion, a 60 per cent increase in ten years, with raw materials (including fuel and petroleum) making up about 40 per cent of the total, semi-manufactures 20, machinery and apparatus 15, transportation equipment 11, consumer goods 8 and food products 6. Most of this trade, especially in capital and consumer goods, originates in the EFTA and EEC countries (about 40 and 33 per cent respectively) as a result of tariff and geographical advantages. Nevertheless, Canadian exports have shared substantially in the market growth, rising from about $3 million to over $15 million in the past ten years.

Where Canada Gains

The main thrust of Canadian export sales is in primary and semi-fabricated minerals and metals, plywood, frozen and canned fish, grain and oilseeds, tobacco and other semi-processed agricultural products.

Depending on market and crop conditions from year to year, the outlook for continued growth in sales of these staple commodities is generally good. Prospects are especially bright for Douglas fir plywood, which only recently has attracted the attention of Danish builders and should top $1.5 million in sales this year. (A full report on this development appeared in *Foreign Trade* for September 28, 1968.) Canadian suppliers operating in these areas of demand are now well established in the Danish market and, as their performance shows, they keep closely informed and are ready to act on opportunities.

Rounding out the parade of Canadian industrial materials exported to Denmark is a fairly limited range of chemicals and textiles. The most important are plastic resins, film and sheet and textile fabrics, yarns and thread. As the trade figures show, there has been no consistent rise in these categories and the competition from other sources, plus increasing domestic production, impose rather narrow limits on future growth.

It is evident that the basic structure of Canada's export trade with Denmark, as conditioned by industrial needs and the sharply competitive position of the EFTA and EEC trading blocs, offers little in the way of new trade opportunities. However, it does not deny the existence of business possibilities in some secondary manufacturing lines. Canadian exports embrace a range of machinery and appliances which are beginning to add up to worthwhile business, especially navigational instruments, communications equipment, and measuring, testing and regulating devices. Other examples in this category are office machines, mainly bookkeeping and punch card equipment, and specialized machinery for the textile, plastics, construction and packaging industries. Although not substantial in any one

WHAT CANADA SELLS TO DENMARK

	1961	*1963*	*1965*	*1967*	*1968**
			(Cdn.$'000)		
TOTAL	4,813	6,811	9,183	15,730	11,229
of which					
Minerals and Metals	2,088	2,565	4,473	5,197	5,110
main items					
asbestos	1,162	917	1,612	1,698	1,094
copper	808	1,607	2,273	1,980	2,649
aluminum	68	32	330	1,111	1,159
Agriculture and Fisheries	702	1,615	2,154	5,540	2,454
main items					
grain, oilseed and forage seed	36	325	524	2,055	25
tobacco	164	363	247	856	252
Irish moss, sea grasses	127	32	289	602	630
milk powder	—	410	95	—	917
maple sugar	61	33	92	119	96
frozen and canned fish	60	204	456	989	285
fresh and processed fruits and vegetables	—	114	60	220	130
distilled beverages and spirits	50	87	96	90	46
Forest Products	245	298	301	1,759	1,515
main items					
lumber	243	283	74	463	5
plywood	—	—	182	1,261	1,434
pulp and paper	2	15	45	35	76
Machinery and Appliances	579	1,121	1,056	2,599	1,190
main items					
electrical apparatus, instruments	30	183	154	1,088	570
industrial machinery and equipment	156	426	132	430	365
motor vehicles and parts	123	20	476	471	84
office machines, computers	270	350	135	206	23
commercial and domestic appliances	—	119	93	133	85
Chemicals and Pharmaceuticals	614	649	643	643	478
main items					
plastic resins, film and sheet	476	264	507	121	46
other industrial chemicals	90	102	62	121	66
vitamins and biologicals	48	283	74	401	30
Textiles and Apparel	210	160	214	175	127
main items					
fabrics, yarns and thread	200	140	150	67	62
garments (foundation, etc.)	10	20	37	62	54
fur apparel	—	—	27	46	11
Sporting and Recreational Equipment	25	33	69	54	37
main items					
ice hockey equipment	23	21	55	19	22
other sports, games, toys	2	12	20	35	15

*First nine months

field, these exports collectively assume importance and point the way to business possibilities which, as this type of Canadian equipment gains market acceptance, could go well beyond the present level of sales. At the least, they suggest areas of opportunity that Canadian producers who have not yet tested the Danish market should certainly examine.

The validity of seeking out effective local representation has been well demonstrated—for example, by Canadian instrument manufacturers with a competitive or technically advanced supply capability. In the past eighteen months at least nine new agency, distributor or buying connections have been established in Denmark for Canadian suppliers of equipment of this kind and there are undoubtedly other openings awaiting the right approach by the right firm. In the first instance, correspondence supported by adequate price (c.i.f.) and product information may be sufficient to attract interest. But the clincher, especially where advanced technology and new industrial and commercial applications are involved, is provided more often than not by a personal visit to the territory. The Copenhagen office is at your disposal for market advice, agency leads, appointments and followup. If you think you may have what it takes, please let us know.

Austria: Kennedy Round Reductions Open Doors

Canadian suppliers should study the new rates.

H. K. ROTT
Commercial Officer, Vienna

■ The Austrian economy is recovering rapidly from its 1967 slump and with recovery, prospects for increased foreign trade improve. The first of the Kennedy Round tariff reductions by Austria took effect on January 1, 1968, and the next cuts will be made at the beginning of 1969.

Present forecasts put this year's real growth in the GNP at $3\frac{1}{2}$ per cent, compared with $2\frac{1}{2}$ per cent in 1967; a growth rate of 5 per cent is the hope for 1969. The advance was sparked by a 6 per cent increase in industrial production in the first seven months of 1968. Lively demand at home and abroad, and the need to replenish depleted stocks formed the basis of the upswing. Although capital investment continues to be weak, increased liquidity resulting from a comfortable balance-of-payments position is leading observers to predict that as confidence is restored expenditure on plant and equipment will be stepped up.

Other sectors of the economy have also recovered. Tourism was up this year (in spite of poor weather) and retail sales gained substantially as prices rose less than income. To maintain the momentum, the Government is trying to overcome structural weaknesses by fostering competition, establishing a new investment bank, providing incentives for research and development, and encouraging certain enterprises to amalgamate.

The Austrian recovery has already had a noticeable effect on Canadian sales. Shipments of asbestos in the first eight months of this year equal the total for the whole of 1967. Canada will probably continue to supply wheat because requirements for durum are increasing and cannot be readily met from Austrian production.

Canada is supplying more semi- and wholly-processed goods. Traditionally, primary products constituted up to 90 per cent of our exports to Austria. In recent years, however, processed products began to appear on the list and in 1967 a number of manufactured goods were introduced or sold for the first time in large quantities. These include various types of fish, wood pulp, knitted fabrics, copper bars and rods, hoisting machinery, metalworking equipment, machinery for the textile industry, communication equipment, gloves and mittens, and veterinary pharmaceuticals.

Effects of Kennedy Round

The prospects for further development of this trade are enhanced by the substantial Kennedy Round tariff reductions.

Austria is implementing its Kennedy Round reductions in five equal steps starting on January 1, 1968, and continuing through to January 1, 1972. Furthermore, should other GATT countries reciprocate, Austria has indicated its willingness to speed up implementation.

As a member of the European Free Trade Area, Austria grants duty-free entry to industrial products from the other EFTA countries. The Kennedy Round tariff concessions on products from non-EFTA countries narrow the EFTA advantage and enable Canadian products to compete in the Austrian market again.

Of the 3,000 items in the Austrian Customs Tariff, 1,735 were subject to tariff reductions in the Kennedy Round and 400 items were duty-free from the outset. Previously, the Austrian level of duty was relatively high with many ad valorem rates of

Cars from many countries give Mariahilferstrasse in Vienna its cosmopolitan look.

over 30 per cent. Some specific duties were even higher. The Kennedy Round produced substantial and meaningful reductions throughout the Austrian tariff. According to a study by F. K. Liebich,* the weighted average of the Austrian reductions were: (per cent) food items 9, beverages and tobacco 34 (tobacco leaf 48), raw materials 4 (wood pulp 41), fuels 13 (crude oil 33), chemicals 21, processed goods 21 (textiles 6), and machinery and transportation equipment 22. The same article maintains that the Austrian concessions were equal to those made by the EEC or Britain.

Primary Products—The traditional primary and agricultural products Canada sells to Austria such as asbestos, wheat and nickel have never been subject to duty. The effect of the Kennedy Round will be mainly on manufactured goods, an area where Canadian exporters in recent years have made considerable efforts to increase sales.

Metals and Machinery—Some of the largest Austrian tariff cuts were made in the steel and steel products sector, with concessions of up to 50 per cent which will result in rates of duty of from zero to 12 per cent. Small reductions were made in other metal products. In the machinery sector, the tariff on non-electrical machinery was cut considerably; with a few exceptions, the duty will not exceed 12 per cent. Worthwhile concessions were also made in electrical machinery, with reductions averaging 25 per cent.

Food and Tobacco—Austria also made some reductions which should assist Canadian exporters of fisheries products and frozen fruits and vegetables. Perhaps the most important in this sector is the nearly 50 per cent reduction in duty on tobacco leaf; the duty on cigarettes was reduced by 33 per cent.

Chemicals—Some concessions were also made in the chemical sector but the duty on many items is still in the 18 to 25 per cent range. The most important reductions were made in the pharmaceutical field where tariffs were reduced on the average by 50 per cent. A strong domestic industry, however, provides exporters with keen competition.

Wood Pulp, Leather—The Austrian duty on wood pulp has been halved to 8 per cent. Another area where export prospects have improved considerably is leather, where the tariff has been cut to 10 per cent.

Canadian exporters wishing to take advantage of the new opportunities the Kennedy Round has opened up in the Austrian market should act now. Information on tariffs can be obtained from the European Division, Office of Area Relations, Department of Trade and Commerce, Ottawa or the Commercial Division of the Canadian Embassy, P.O. Box 190, 1013 Vienna, Austria. The Canadian Embassy will be happy to assist exporters in exploring market opportunities and developing trade contacts. Businessmen visiting Europe who include Vienna in their itinerary will find it both pleasant and profitable.

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*Die Kennedy Runde, published by Eurobuch-Verlag, Freudenstadt, West Germany.

Switzerland:

We Could Do Better

Improved pace of business should help, especially in export fields detailed in this article.

GEORGE E. BLACKSTOCK
Commercial Secretary, Berne

■ Switzerland's prime economic concern from 1964 on was to contain the inflationary over-heating of that period. By the beginning of 1968 that objective had been reached. Although a healthier balance was achieved, economic growth had slowed to the lowest rate in ten years, but prices continued to climb steeply. There were signs early this year, however, that export demand would reverse itself and once again provide the stimulus needed to get things going. This hope has been well borne out. During the first six months of 1968 the value of Swiss exports rose by over 10 per cent compared with 1967 and imports were up only 4 per cent during the same period. Thus the trend towards a decrease in the perennially adverse Swiss trade balance continues. From 1964, when exports were only 72.8 per cent of imports, the proportion rose steadily to 85.5 per cent in 1967 and will be higher again this year.

Canadian Exports Smaller

Canadian exports to Switzerland reflect the other side of this coin. From a ten-year level of annual totals between Cdn.$25 to $30 million up to 1962, they rose to a peak in 1965 of $42.4 million. Canadian imports from Switzerland, which ran each year at levels $3 to $6 million higher than our exports, produced an adverse balance. In 1966, however, when our exports slipped to $39.6 million, imports from Switzerland went up to $54.9 million. The gap widened further in 1967, when we sold goods worth only $35.6 million to Switzerland and bought goods worth $61.3 million. This year the trend is continuing. Although trade figures at the end of August showed our imports from Switzerland down somewhat from 1967 to an annual rate of about $56 million, our exports were down more sharply, to an annual rate of just over $27 million.

Trade statistics for the five years 1963-67 show that almost all Swiss exports to Canada increased or at least held their own during the period. Non-electrical machinery doubled to nearly $11 million; electrical machinery and instruments more than doubled to over $4 million each; chemicals (including pharmaceuticals and dyes) rose from $8 million to over $14 million. Food products—mainly cheese—went from nearly $2.5 million to over $3.5 million. The only sizable item which was down was watches, which fell from $12.5 million in 1965 to under $10 million.

—*continued on page 27*

WHAT CANADA BUYS FROM SWITZERLAND*

	1964	*1965*	*1966*	*1967*
		(Cdn.$ million)		
Non-electric machinery	5.6	7.5	11.4	10.8
Electric machinery	2.1	3.9	3.8	4.2
Instruments and apparatus	2.2	2.7	3.2	4.0
Watches	10.6	12.5	10.05	10.0
Aluminum	0.25	0.27	0.32	0.47
Iron pipe	0.4	0.45	0.42	0.42
Pharmaceuticals	0.3	0.45	0.7	0.8
Dyes	2.3	2.6	3.3	3.1
Chemicals, n.op.	7.9	8.2	9.5	10.4
Silk and synthetic textiles	0.75	0.8	0.8	0.77
Woollen textiles	0.17	0.17	0.32	0.27
Cotton textiles	0.5	0.6	0.7	0.5
Embroideries	0.42	0.4	0.4	0.5
Knitted fabrics	0.45	0.45	0.47	0.37
Clothing	0.55	0.82	1.0	1.15
Cheese	1.4	1.6	1.7	2.0
Chocolate	0.2	0.32	0.35	0.4
Soup, bouillon	0.4	0.5	0.5	0.6
Braided material for hats	0.5	0.4	0.4	0.3

*Swiss statistics

WHAT CANADA SELLS TO SWITZERLAND*

	1964	*1965*	*1966*	*1967*
		(Cdn.$ million)		
Meat	1.1	2.3	1.4	1.1
Wheat	17.0	12.4	11.7	10.8
Oats	3.9	2.9	1.8	1.6
Oilseeds	0.1	0.7	1.05	0.3
Steel alloys	0.2	0.27	0.6	0.27
Raw copper	0.9	1.2	1.6	2.1
Copper bars and wire	4.4	3.2	2.9	3.5
Raw lead	0.05	1.3	1.0	1.4
Raw zinc	0.4	0.9	0.4	0.2
Non-electric machinery	1.4	1.9	1.6	1.4
Electric machinery	0.25	0.3	0.27	0.5
Instruments and apparatus	0.3	0.7	1.7	1.0
Vehicles	0.2	3.0	2.3	1.2
Chemicals, n.o.p.	0.20	0.25	0.5	0.4
Clothing, including furs	1.5	2.3	2.1	3.2
Asbestos	1.4	1.9	2.4	1.8
Rubber	0.27	0.22	0.17	0.17
Rubber products	0.5	0.3	0.27	0.25
Wood and wood pulp	0.6	0.7	0.5	0.3
Semi-manufactured wood products	0.5	0.35	0.42	0.6

*Swiss statistics

Your Business Visit to SWITZERLAND

Switzerland has been a democracy for nearly 700 years, ever since the "Everlasting League" was sworn to in 1291 on a mountain meadow overlooking Lake Lucerne. Today the country is highly industrialized and developed. The population is small but the Swiss are hard-working, tolerant and prosperous. No country is more stable economically and politically. This combination has made it into the manufacturing, trading, banking and transportation center that it is today. For the Canadian businessman, Switzerland is the ideal country for combining business and pleasure. Come and see for yourself.

—G. E. BLACKSTOCK, *Commercial Secretary, Berne*

PHOTOGRAPHS

Cover: A freight train winds through the sunny vineyards above Lake Geneva. (Swiss National Railways photo.)

This page: An ancient clock tower and typical fountain in the main street of Berne, the capital city. Below, the Timing Division at Omega specializes in industrial and sports timers.

Opposite page: A view of Geneva with one of the many bridges that cross the Rhone River that flows through the city. (Swiss National Tourist Office photo.)

Planning the Trip

The best way to start planning a business trip to Switzerland is to write to us at our office in Berne (Canadian Embassy, Kirchenfeldstrasse 88). If you will let us know in advance, we can set up a schedule for your visit, plan your itinerary, recommend potential customers, agents or others to call on, and make the appointments for you. We can also arrange for an interpreter if you need one.

The European Division of the Department of Trade and Commerce in Ottawa can also give you information. Get maps, brochures, travel pamphlets and a Swiss hotel guide free from the Swissair offices in Montreal and Toronto. Contact the Swiss Embassy in Ottawa or one of the Swiss Consulates. Their addresses are:

Swiss Embassy
5 Marlborough Avenue
Ottawa

Swiss Consulate General
1572 McGregor Street
Montreal

Swiss Consulate General
100 University Avenue
Toronto

Swiss Consulate
1130 One Bentall Centre
505 Burrard Street
Vancouver

Swiss Consulate
Tribune Building, 257 Smith Street
Winnipeg

To discuss Swiss capital investments before you come here, get in touch with the Canadian offices of two of the major Swiss banks:

Credit Suisse (Canada) Ltd.
1010 Beaver Hall Hill
Montreal

Swiss Corporation for Canadian Investment Ltd.
360 St. James Street W.
Montreal

Your travel agent can book your transportation to and from Switzerland. If you prefer to come to Europe by ship rather than fly, he can arrange your rail transportation in Europe or your cruise up the Rhine to the Swiss port of Basel. He can also make your hotel reservations, arrange for car rentals, and provide you with pamphlets and brochures.

To prepare yourself for understanding and enjoying Switzerland, the following books are helpful:

This Is Switzerland
by C. Orthys

Switzerland
by the Life World Library

The Land and People of Switzerland
by Lilian Wragdon

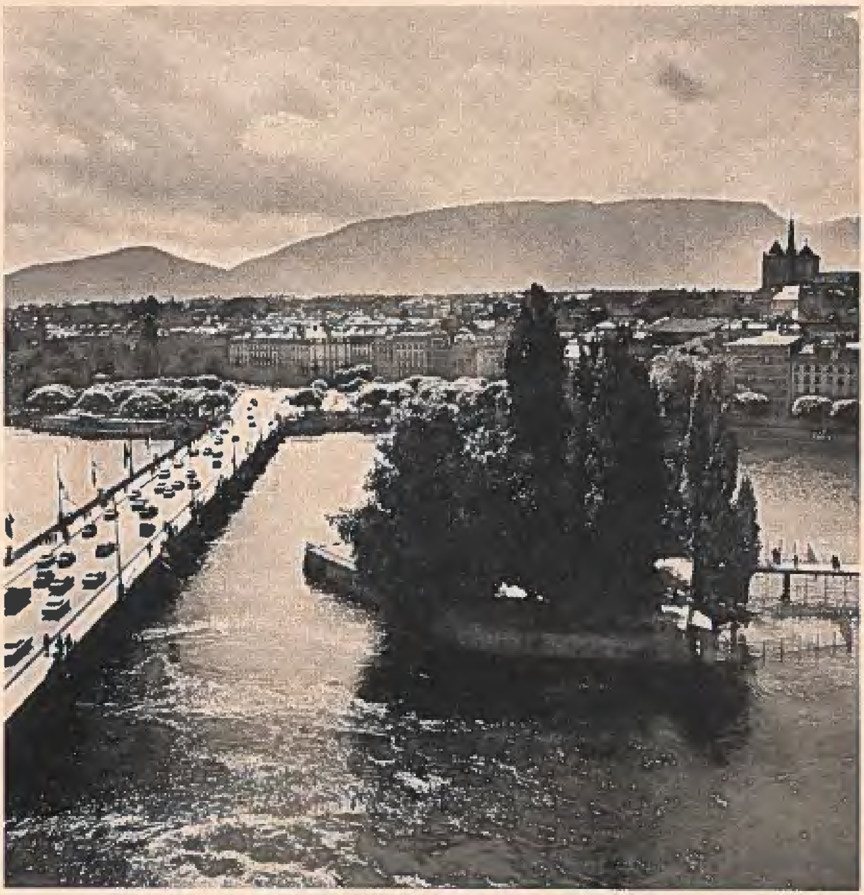
Switzerland—Present and Future
by Helvetische Gesellschaft Bern

The Swiss without Halos
by Herold J. Christian

For information about Swiss schools, to which many Canadian businessmen send their children, ask for the brochure "Private Schools in Switzerland", published by the Swiss Federation of Private Schools and available at the Swiss Embassy, Consulates and Swissair offices.

You will need a valid passport but no visa. If you are staying more than three months, you must apply for a permit from the local cantonal police. This can be done after you arrive. If you are actually doing business, such as taking orders or signing contracts, you will need the green "Grosshandelsreisenden Karte" (Permit for Wholesale Travellers) issued by the Statthalteramt, a special division of the local administration of each canton. This can be obtained on the spot, but you will need two passport photographs.

Health certificates are not required, but on your return to Canada you must have a certificate of vaccination against smallpox.



Zurich, Switzerland's biggest and busiest city, will be on your itinerary. You may find time to take a trip on the tourist boat (above) that cruises the River Limmat.

Counting the Cost

The return tourist air fare from Montreal to Zurich is Cdn.$582 ($489 off-season). To fly from Zurich to Geneva costs SF58 and from Paris to Berne SF133. The first class railway fares from Berne to Zurich, Basel and Geneva are respectively SF23.80, SF22 and SF31.

Hotel rates vary, but are generally reasonable. Prices in a de luxe hotel may be from SF40 to 75 and in a medium-priced one from SF30 to 45, and will include bath, breakfast and service charge of 12 to 15 per cent. Both in the big cities and in the well-known resorts you will find hotels of international standing and quality, with prices to match. See the brief list on the right.

When you have a hotel reservation in Switzerland, there is no automatic cancellation if you have not arrived by a certain hour. If you don't show up, the hotel will keep your room all night and you will be sent the bill for at least the first day of your intended stay. The rule is: if you can't come, cancel.

Meals in your hotel or in restaurants are also reasonably priced. A continental breakfast is almost always included in the cost of your hotel room. Otherwise it will cost SF2.50, or up to SF8 for a Canadian breakfast of juice, cereal, eggs and bacon: lunch costs SF8 to 12 and dinner SF12 to 20. The cost of wine need not run your bill up unduly.

Some Swiss Hotels

Zurich:	Baur au Lac Dolder Grand Eden au Lac Carlton Elite
Geneva:	Intercontinental De la Paix Du Rhone Le Richemont
Basel:	Drei Konige Euler Schweizerhof
Berne:	Bellevue Palace Schweizerhof
Lucerne:	Grand Palace Schweizerhof Astoria
Gstaad:	Palace
Zermatt:	Zermatterhof Mont Cervin
St. Moritz:	Kulm Carlton Palace Suvretta
Davos:	Grand Hotel Belvedere

—Swiss National Tourist Office

The Port of Basel, head of navigation on the Rhine and Switzerland's gateway to the sea. Two-fifths of all Swiss foreign trade shipments are handled in this port.

When and Where

Any time that you would make a business visit in Canada is generally a good time in Switzerland. Avoid Christmas and Easter and July and August, when a lot of Swiss go on vacation and business slows down. The best weather is from May to October in the summer and from December to April in the winter. The best months for winter sports are February and March, but you can ski all year round if you get up high enough.

For purely business purposes, you should probably stay in Switzerland up to a week. If you want to combine business with seeing something of the country, plan to stay for two weeks.

You will want to visit the following cities:

Zurich, Switzerland's biggest and busiest city.

Geneva, the main French-speaking city and European headquarters of the United Nations and of four UN agencies that all buy Canadian goods and equipment.

Basel, center of chemical and pharmaceutical manufacturing, the head of Rhine navigation, and Switzerland's gateway to the sea, where two fifths of all Swiss imports and exports are handled.

Berne, the capital city and headquarters of another UN agency.

Other important cities are Lausanne, Lugano, St. Gallen, Neuchatel, Lucerne and Fribourg. But ask us first; we can advise you.

Seasons and temperature ranges in Switzerland are similar to those in Canada, but without the extremes of heat and cold so the type of clothing you wear will be much the same as at home. In summer you may want to have something warm, especially in the mountains. Evening clothes are usually not needed. Winter sports equipment can be rented at all resorts. You may wish to bring portable dictating equipment or a typewriter. Most well-known brands of cigarettes can be bought in Switzerland, and so can pharmaceuticals of all sorts. If you have an electric shaver, make sure it will work on 220 volts-50 cycles. Bring business cards, either in English or French. Use giveaways much as you would in Canada.

You may take in or out of Switzerland any amount of foreign or Swiss currency. One Canadian dollar buys four Swiss francs (SF). Travellers cheques are readily available and as acceptable in Switzerland as in Canada.

Plan to bring samples of your products with you or send them ahead addressed to our office. Samples of no commercial value are admitted into Switzerland free of duty. On samples valued at more than SF5 you must pay the duty, which is refunded on re-export if you apply. You may bring in one liter of liquor, two liters of other alcoholic beverages, 400 cigarettes or 100 cigars or 500 grams of tobacco, half a liter of perfume and gifts up to a value of SF2,000.

Making the Rounds

Call our offices when you first arrive. Switzerland has a direct long distance dialing system which costs very little. Dial 031 for Berne and 44.63.81 for the Canadian Embassy. Come and see us if you can. We'll try to accompany you on some of your calls, although this is not possible when we have a lot of visitors.

The Swiss like business appointments to be made several days or a week in advance, which we can do for you. Be punctual. Offices are usually open from 8 to 12 in the morning and from 2 to 6 in the afternoon. Because of this long working day, and because the Swiss are so orderly and businesslike, you may be able to make as many as six to eight business calls a day. You can often do business on Saturday morning too.

Banking hours are usually 8 to 12 and 2 to 5, but may vary. Check at your hotel. The Post Office is open from 7.30 a.m. to 6.30 p.m. and closed for an hour and a half at lunchtime. On Saturday it is open until 11 a.m.

Renting a car is not really necessary for getting around in the cities, but it is a pleasant way to travel from city to city or to resort areas. In town, taxis are best. Taxi stands are mostly near the main railway stations and hotels. If you want to go from one business call to another, phone for a taxi; they usually do not cruise.

Taxis cost roughly the same as in Canada and there are standard rates for car rental in every major city. (Tilden of Canada has an office in Geneva.) As an example, the price for a FIAT 124 is SF25 per day plus 25 centimes (¼ franc) per kilometer.

Communication facilities in Switzerland are excellent. You can dial direct anywhere in the country and to many other parts of Europe. To call abroad there are booths with operators in attendance in all post offices throughout the country or you can place the call through your hotel operator. Cable messages can be sent from all post offices. There are telex facilities at the main post offices of the following cities: Basel, Berne, Biel, Chur, Geneva, Lausanne, Locarno, Lucerne, Neuchatel, St. Gallen, St. Moritz, Winterthur, Zurich.

When calling on most big Swiss companies, you will be able to speak English. You can speak French nearly everywhere. For calls on smaller companies, especially those not accustomed to doing business with foreigners and particularly if there will be technical discussions, you may need an interpreter. Let us know in advance and we can arrange to hire one for you. The rates are about SF35 per hour.

Berne is famous for covered sidewalks or arcades. You can shop in streets like this.

Man to Man

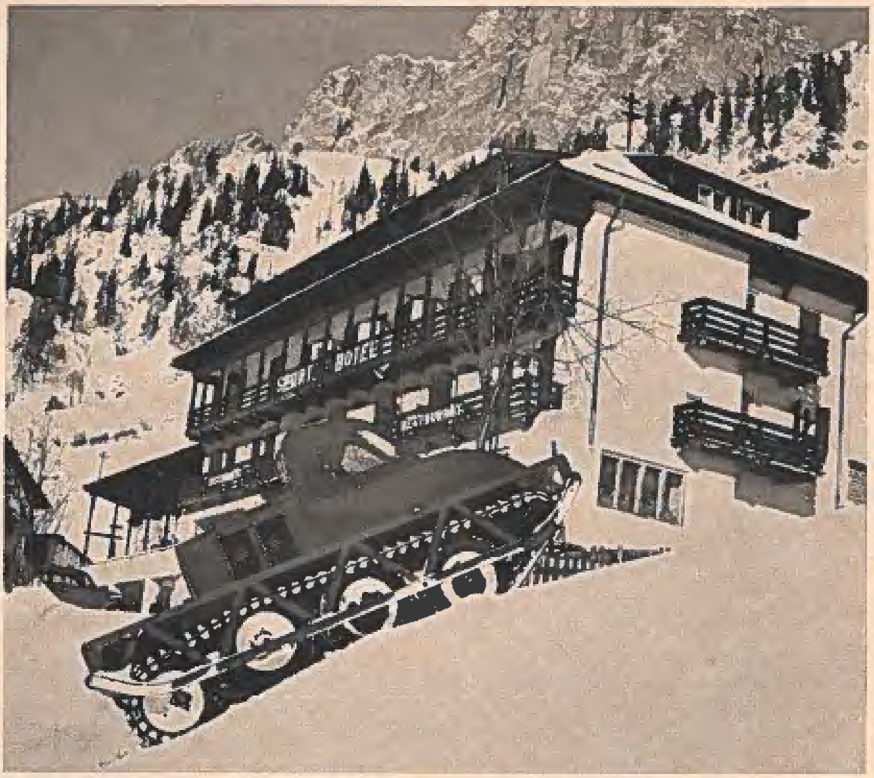
Although your Swiss customer or contact appreciates the niceties as well as the next man, you need not spend a long time getting down to business. He will understand your being matter-of-fact and straightforward. Like most Europeans, he is somewhat formal. Don't expect to get on a first name basis right away, but do get his last name right and use it with "Mr." during your conversation.

By all means invite your business contact to lunch. He will appreciate receiving the invitation in advance, however, as many Swiss normally go home for their main meal at midday. Sometimes you may find that your Swiss business or government contact is away doing his military service. Every adult male in Switzerland has to serve for several weeks every year.

Industrial espionage is something the Swiss take very seriously, so when you ask to look at the manufacturing operations of the company you are calling on, you may be told that it is not possible. Be prepared for this and accept it gracefully. Don't expect to be given production figures or marketing statistics that you may think nothing of asking for at home. If you want to make a plant visit or obtain detailed information, your chances will be much better if you let us ask for you well in advance. And be sure to tell us why you are interested.

If you are invited out to a private home in Switzerland, the hostess will appreciate flowers or candy, or some other small gift such as you might take with you in Canada.

Time Off



One of Canada's Bombardier snowmobiles goes to work at a Swiss ski resort. All the resorts provide good accommodation and skiing, some at very moderate prices.

No country has such a variety of attractions to offer the visiting businessman with a free evening, weekend or longer. For entertainment in the evening, there are regular opera, theater, symphony and other musical performances in season in the main cities, all reasonably priced. There are night clubs as well, some with first class bands and floor shows, but these can be expensive. In some cities there are hotels or other places of entertainment which specialize in typical Swiss folklore shows, complete with yodelling and flagtossing.

If you have a weekend off in the winter, you can be on skis (or skates, or a curling sheet) a couple of hours away from Zurich or Berne or Geneva. Or you can travel a little farther afield for skiing in the Grisons in southeastern Switzerland, or to the Valais, between the Berner Oberland and the main range of the Alps. You can go to the famous international resorts such as Gstaad or St. Moritz but you will have to pay international prices. There are many other places nearly as well known where the skiing is as good and often better and the prices not so high. Zermatt (the place to see the Matterhorn), Davos, Klosters, Grindelwald, Verbier, Arosa and Montana are on this list. There are many others which have no international reputation, but which can be just as much fun and the skiing as good, for example Murren (where Canadians own the main hotel and the longest cable car system in Europe and where, if you come soon, you can watch the filming of James Bond's *On Her Majesty's Secret Service*).

At all resorts there are smaller hotels and pensions, all friendly and immaculately clean, where prices are much more modest. Or if you like, bring the family and rent a chalet.

For summer visitors who want to enjoy mountain climbing, camping or hiking, or just looking at the scenery or the alpine flowers, all the same places can be enjoyed, as can many which are too low for winter sports, particularly those on the lakes, such as Lucerne, Interlaken, Thun, Lugano, Locarno, Lausanne, Vevey, Montreux. Music, folk and wine festivals abound in summer and early fall.

There is no such thing as a bad restaurant in Switzerland. You can sample international cuisine at the big hotels and restaurants as you can in any country. There are many others, small, cosy and friendly, some serving specialty dishes, and you will want to visit some of them. Try the famous Swiss cheese fondue or raclette, another hot cheese dish, or fondue bourguignonne or fondue chinoise. "Roschti" is a popular kind of hash brown potatoes. If you like sauerkraut and spicy meat, try a "Berner Platte". If you like fish, have a blue trout. The Swiss don't export the best of their wines but keep them here, so don't fail to try them.

Perhaps you would like to take a "cure" in Switzerland. If so, there are lots of resorts you can go to for a week or two, where they specialize in the baths, diets and massage that are said to leave you feeling like a new man.

If you want to shop while you are here, you don't have to be told that this is the place to buy a watch or a cuckoo clock. It's also a good place for buying skis and ski boots and for all kinds of handicrafts from cowbells to embroidered blouses and for antiques too. Swiss chocolate is another popular buy. Store hours are 8 to 12.15 and 1.30 to 6.30 in most cities.

—Swiss National Tourist Office

Up, up and away—we don't suggest that you travel to Switzerland this way, but teams from all over the world do come here in the spring for the annual balloon races across the Alps.

So come to Switzerland and find a market for your products. Some of the most promising opportunities are in meat and other food products, seeds, women's and children's wear and sportswear, household gadgets, chemicals, plastics, both electrical and non-electrical machinery of types not made here, electronic equipment and vocational training equipment which the UN agencies buy. Do business first, then relax in this beautiful country.

Commercial Secretary
Canadian Embassy
Kirchenfeldstrasse 88
Berne, Switzerland
Cable: CANADIAN; Phone: 44-63-81; Telex: 32489 (DMCNB CH)

—continued from page 18

Statistics covering the same period show that most of Canada's important exports to Switzerland reached a peak in 1964, 1965 or 1966 and have fallen off since. Wheat, the biggest item on the list, went up to a high of $17 million and then down to $11 million. Meat, oilseeds, steel alloys, zinc, non-electrical machinery, instruments, vehicles, chemicals, asbestos and rubber products also peaked and then declined. Some went down steadily throughout the period; examples are oats, unmanufactured rubber, pulp and paper products. A few hit a low point and are going up again, including copper bars and wire and raw lead. A few others—raw copper, electrical machinery, clothing and lumber —managed to go against the trend and have increased steadily.

Opportunities Pinpointed

Some of the best opportunities for Canadian exporters are mentioned in the lists above. Electrical machinery, including electronic equipment, is one of the most promising fields; more and more Canadian products of this kind are appearing on the Swiss market. In this group are civilian and military telecommunications equipment, navigation equipment, radio and TV broadcasting equipment, office machines and computers, and household appliances.

Exports of clothing to Switzerland should continue to increase. The big item under this heading is furs, but women's lingerie, knitted outerwear, sleepwear, sports wear and a variety of other types have an excellent chance as well. (An article on the Swiss market for clothing, textiles and foundation garments will appear shortly in *Foreign Trade.*)

The market for food products in Switzerland is still far from fully exploited. Fresh, frozen and canned fish and lobster can be sold. So can meat, particularly beef and horsemeat, and specialty grocery products.

Sporting goods have long enjoyed good sales here. Hockey equipment has led the way, but there is no reason why Canadian equipment for other sports should not sell in Switzerland —for curling, golf, skiing, boating and camping, for example.

If You Want to Sell in Switzerland

1. Quote prices c.i.f. Rotterdam/Antwerp. Normal terms of payment are net 30 days or, if the customer is not well known to you, letter of credit. Talk to the airlines about shipping your products to Switzerland by air. The list of goods for which air freight is economical is growing every day. Horse meat, tracked vehicles, sporting goods, computers, garments, office equipment, and frozen fish are just a few of the things being flown regularly from Canada to Switzerland. For goods to be shipped by air, your customer may want to be quoted c.i.f. Zurich airport or sometimes f.o.b. Montreal.

2. Supply sales literature. The Swiss always want to have information on the products you are trying to interest them in documented by illustrated brochures, technical fact sheets and price lists. This material in English is better than nothing, but in French and/or German it is much more acceptable and will show that you are serious about the Swiss market.

3. Find out about labelling requirements. The labelling of consumer products can sometimes be complicated and we suggest you write to us about it. As a general rule, if you want your products to get out of the specialty or luxury class and into the mass market, labels must be in all three languages —German, French and Italian. One way around problems like these is to sell in bulk to a local packer who will then be responsible for retail packaging.

4. If you want to sell electrical appliances, the standards applied to them are strict. They are administered by the SEV (Schweizerischer Elektrotechnischer Verein). Applications for approvals can only be made by a Swiss, which usually means your agent in Switzerland, and can take as long as 18 months. The electrical current is 220 volts 50 cycles. Transformers must be used with any Canadian appliances not built for this current.

5. If you are interested in licensing there are no restrictions in Switzerland on licensing agreements, and occasionally a good opportunity comes up. Contact the Department of Industry in Ottawa or let us know if you have a product you would like to have manufactured here or if you are looking for something to manufacture in your own plant.

Vocational training equipment continues to be bought by the UN agencies with headquarters in Switzerland, most notably the International Labour Office at Geneva.

Why Sales Lag

Some of the reasons for the slip in Canada's export performance in Switzerland in the last few years are undoubtedly beyond the control of individuals. An obvious one is the increased competitiveness of Switzerland's EFTA partners as Swiss tariffs on their products have been reduced step by step and, in most cases, have disappeared. But there are some factors which are still under our control and exporters should do everything possible to see that the reasons often given to us by Swiss importers do not apply to them. Among these are not enough visits to Switzerland, not enough personal salesmanship, correspondence not answered promptly or left unanswered, slow deliveries, and misshipments. Another factor is that our prices are too high, permitting others to chip away at our markets, including some traditional ones (the Japanese are selling hockey sticks here and the Finns pulp and paper). Switzerland is an extremely quality-conscious market and offers of poor quality products or delivery of substandard goods usually results in a setback for the exporter. Other suggestions for dealing in the Swiss market are listed in the box above.

The Swiss economy has made a good general recovery from the inflationary problems of the mid-sixties and the slack period of 1967. With the quickening pace, increased growth and return of confidence, there is every reason for Canadian exporters to expect that conditions favorable to them will be maintained well into 1969.

Portugal: the Picture Brightens

As the gentle breeze fills the sail, boys move into midstream their boat laden with casks of port wine.

Development Plan projects suggest sales opportunities.

P. A. SAVARD
Commercial Counsellor, Lisbon

■ As 1968 ends, the over-all economic picture in Portugal is much brighter than in 1967 and better than expectations earlier in the year. The gross national product has gone up encouragingly so far in 1968 and may exceed for the full year the target of a 7 per cent annual growth set in the Third Six Year Development Plan. This compares with a rise of only 4.7 per cent in 1966 because of poor farm production and only 5 per cent in 1967 because of a slowdown in industry. This year industrial performance has improved, particularly in woodworking, cork, non-metallic minerals, and miscellaneous manufacturing.

The current (1968-1973) Development Plan provides for investments allocated as follows:

	Billion escudos
Mining and industry	31.2
Transport and communications	27.1
Energy	17.6
Agriculture, forestry, fisheries	16.4
Tourism	11.8
Housing, urban development	8.1
Education and research	5.6
Health, rural development	5.2

The annual income in Portugal, at Cdn.$500 per capita, is low but it is double that of 15 years ago and hopefully this progress will be maintained. Latterly the fastest rate of increase has been in agriculture. Obviously it started from a lower base and has been influenced by the smaller numbers of available farm labor.

The Third Development Plan, recognizing the fact that higher agricultural production is essential to the planned increase in the GNP, allocates to agricultural development the largest amount of funds since the plans were initiated.

Progress in Development

Realistically, future development in the private sector of industry and agriculture will depend on the supply of domestic and international capital for investment and the conditions attached to such investment. No less important, management personnel and patterns and marketing techniques need to be updated if the planned development is to achieve its programmed level.

Two notable successes in the industrial field are the recently built drydocks (Lisnave) at Margueira on the Tagus which handled almost eight million dwt. of shipping during the year ended June 1968. Capable of accommodating the largest vessels now afloat, this undertaking is recognized as one of the top operations of its kind in Europe today.

Another example of progressive investment and management is a new brewery and soft drink plant at Vialonga (Sociedade Central de Cervejas), with an annual capacity close to 25 million gallons of beer, 5.5 million gallons of soft drinks and 15,000 tons of malt.

Both these enterprises, in addition to contributing to improved domestic production, are also expected to contribute substantially through exports and services to the country's foreign exchange earnings.

The Douro River hydroelectric complex in the north of Portugal continues to go forward and today two new dams are under construction. New pulp and paper mills have gone into production or are being built and the existing steel mill is expanding its installations to increase output and start production of new materials, such as railway tracks, tinplate and steel plates for the shipping industry.

The irrigation system started three years ago in the south of Portugal is helping in a major way to increase agricultural production.

Trade Picture

Portugal regularly maintains a favorable balance of payments. Although the balance of trade is regularly in deficit, the other items making up the balance of payments are more than sufficient to create a surplus. Earnings from tourism are particularly significant. The National Institute of Statistics figures on foreign trade for recent years are given in the accompanying table.

PORTUGAL'S FOREIGN TRADE

	Imports c.i.f.	Exports f.o.b.	Deficit
	(million escudos)		
1963	18,715	11,986	6,729
1964	21,881	14,814	7,067
1965	25,759	16,365	9,394
1966	29,406	17,812	11,594
1967	29,135	19,685	9,450
1967*	15,749	9,730	6,019
1968*	16,086	10,496	5,590

*Jan.-July

Although imports have gone up more rapidly than exports, industry does recognize the importance of exports. In fact, exports of some products have increased over 10 per cent in the first half of 1968 compared with 1967, particularly tobacco, textiles, base metal manufactures and machinery.

Trading Pattern

In 1967, Portugal shipped 33 per cent of its exports to EFTA countries and obtained 23 per cent of its imports from the same countries. In the same year, 17 per cent of Portugal's exports went to EEC countries and 33.5 per cent of its imports came from that area.

By individual countries, Portugal's principal markets in 1967 were Britain (19.9 per cent), the United States (10.2), West Germany (5.4), France (4.8), Sweden (4.7) and Italy (2.5).

In the same year, Portugal's principal suppliers were West Germany (15 per cent), Britain (13.8), United States (7), France (6.8), Italy (5.8) and Switzerland (3.7).

Trade with Canada

Canada, with exports of Cdn.$7,138,000 to Portugal and imports of Cdn.$14,437,000* from Portugal in 1967 does not figure prominently in the overall Portuguese trade picture. Nevertheless there is good reason to believe that this medium-size market is one with which Canadian exporters could and should become more familiar. Its currency is sound and the gold and exchange reserves stood at a healthy U.S.$1,214 million at the end of 1967 and have been maintained at that level in 1968, according to the IMF.

Portugal's EFTA partners do have certain tariff advantages. But these are being countered successfully in other EFTA countries by Canadian exporters and recent developments and prospective expenditures under the Third Development Plan should lead to further expansion of our sales to Portugal.

*DBS figures

Fruitful fields to explore are tourist development, construction materials and housing equipment, and kitchen and restaurant equipment. Sooner or later, Portugal's airport facilities must be expanded, new facilities built and older ones modernized. This, of course, ties in with the upgrading and expansion of tourist facilities and is also of interest to Canadians.

In the agricultural sector, a good deal of attention is being paid to improving livestock, both dairy and beef; shipments of Canadian dairy cattle were made earlier in 1968 and more recently frozen semen has been shipped to Portugal with good results.

Any report from Portugal must mention salt codfish. In the past twelve months, larger quantities of fish have been shipped than for some time past but a much greater effort will be required if Canadian fish exporters are to maintain and increase their share of this substantial market.

Canada's exports to Portugal cover a fairly wide variety of products. Because of the size of the market, however, exporters may tend to consider that opportunities are limited. But we believe that it deserves more attention and this could in many cases prove rewarding. Direct air service between Canada and Portugal is excellent and a visit to Portugal can easily be fitted into an investigation of other European markets. And it could pay off.

Temporary Visitors to Philippines Must Declare Currency

■ From November 1968, temporary visitors to the Philippines must show a completed currency declaration to the Central Bank official at the airport or port of entry and have it stamped. The official retains the stub; the visitor must keep the declaration itself throughout his stay. The visitor may carry with him all the foreign exchange he has declared. If he needs local currency, he may only sell his foreign exchange to authorized agents of the Central Bank. He may not take out more foreign exchange than he brought into the country. On leaving the Philippines, he must surrender his currency declaration to the Central Bank official at the airport or port.

If You Want to Know More

These lists of source material have been compiled by the Department's library staff. We regret that we cannot undertake to supply copies of any of these publications.

EFTA Publications

The publications of the European Free Trade Association are made available without charge by EFTA. They may be ordered direct by readers in North America from EFTA Information Office, Suite 714, 711 14th St., N.W., Washington, D.C. 20005. The address for European readers to write to is the Information Department, European Free Trade Association, 32 chemin des Colombettes, 1200 Geneva, Switzerland.

Annual Reports

Annual Report of EFTA. The Eighth Report covers the activities of EFTA for the period 1967-68. Published in English, French and German.

EFTA Trade. The latest report covering the years 1959-1966 presents a comprehensive study in depth of the trade of the eight EFTA countries. Published in English, French and German.

Annual Review of Agricultural Trade. The 1967 report surveys the progress made toward expansion of EFTA's agricultural trade, and includes country studies of developments in agricultural trade and policies. Published in English, French and German.

EFTA Booklets

EFTA: What It Is, What It Does. Published in English, French and German.

EFTA—a Single Market of 100 Million People. Published in English, French and German.

Basic Documents

The Stockholm Convention. Convention establishing the EFTA. Also available in new edition incorporating the Finland/EFTA Agreement. Published in English and English/French (bilingual).

Agricultural Agreements. Text of the various bilateral agreements. Published in English, French and German.

General Publications

Building EFTA. Full account of EFTA's history, aims and working. Published in English, Finnish, Swedish, Danish, German and Norwegian.

The Rules of Origin. (Revised Edition 1967). A full study of the origin system used in EFTA to ensure that goods shipped intra-EFTA are entitled to benefit from EFTA tariff reductions. Published in English, French and German.

General Cargo Handling in Three EFTA Ports. Report based on study of ports of Lisbon, Manchester and Oslo. Published in English only.

Using EFTA: How to Start Selling in the Free Trade Area: An introduction to the EFTA market. Published in English and German. (Free to EFTA businessmen only.)

Public Procurement in EFTA. Published in English only.

Periodicals

EFTA Bulletin. Published nine times a year in English, French and German.

EFTA Reporter. Biweekly newsletter issued by the EFTA Information Office, Washington.

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Canada at the International Furniture Fair

■ Canadian manufacturers of wood products and furniture components met with outstanding success in their first appearance at the International Woodworking Machinery and Furniture Supply Fair recently held in Louisville, Kentucky. Fourteen prominent Canadian firms participated in the Canadian exhibit. They reported later 1,766 inquiries and expect orders of some $5.95 million in the next 12 months.

The participating Canadian manufacturers, eight from the Province of Quebec and six from Ontario, displayed Canadian wood components, decorative simulated wood appliqués, springing mechanisms, woodworking equipment and hardware fittings.

A special feature in the center of the Canadian exhibit was Herman Raby, a 21-year-old woodcarver from St. Jean-Port-Joli, Quebec, who worked on a 40- by 25-inch pine plaque. Featuring an intricate relief carving, the plaque symbolically depicted the transportation of trees into industrial wood products and wood art forms. Designed by an artist from the Canadian Government Exhibition Commission, it was presented to the National Association of Furniture Manufacturers which sponsored the International Fair. The plaque was subsequently awarded to the National Fine Hardwoods Association in Chicago, which was judged

The picture above shows Herman Raby from St. Jean-Port-Joli, Quebec, at the International Woodworking Machinery and Furniture Supply Fair in Louisville, busy at work on a large pine plaque. Many visitors came to see him and to buy the fine Canadian furniture (left) which was on display.

to have made the biggest contribution to the use of wood in the furniture industry over the past year.

The third International Woodworking Machinery and Furniture Supply Fair will be held September 12 to 16, 1970, at the Kentucky Fair Exposition Center in Louisville.

"Atlantic Canada" at U.S. Exposition

■ Twenty-seven firms from the three Maritime Provinces recently put on the largest single commercial exhibit in the history of the annual Eastern States Exposition held in West Springfield, Massachusetts, September 13 to 22. Officially titled the "Atlantic Canada Exhibit", the Nova Scotia, New Brunswick and Prince Edward Island Governments joined in this co-operative endeavor sponsored by the Atlantic Development Board, with the assistance of the federal Department of Trade and Commerce. Each province selected the firms that participated.

The individual product displays in a 10,000-square-foot area in the Better Living Center at the Exposition covered a range of manufactured goods from prepared fruits and vegetables to shoes and sportswear, and from furs and fiberglass yachts to steel rails and nails.

The over-all aim of "Atlantic Canada" was to present Canadian products to New England consumers and to offer facilities for on-the-spot negotiations with potential distributors, wholesalers and agents. It was later reported that 80 per cent of the Maritime firms obtained specific orders and established New England contacts which they will follow up. On-site retail sales amounted to just over $100,000 and with the signing of various representative and distributor contracts, export sales over 1969 are expected to reach $1.5 million.

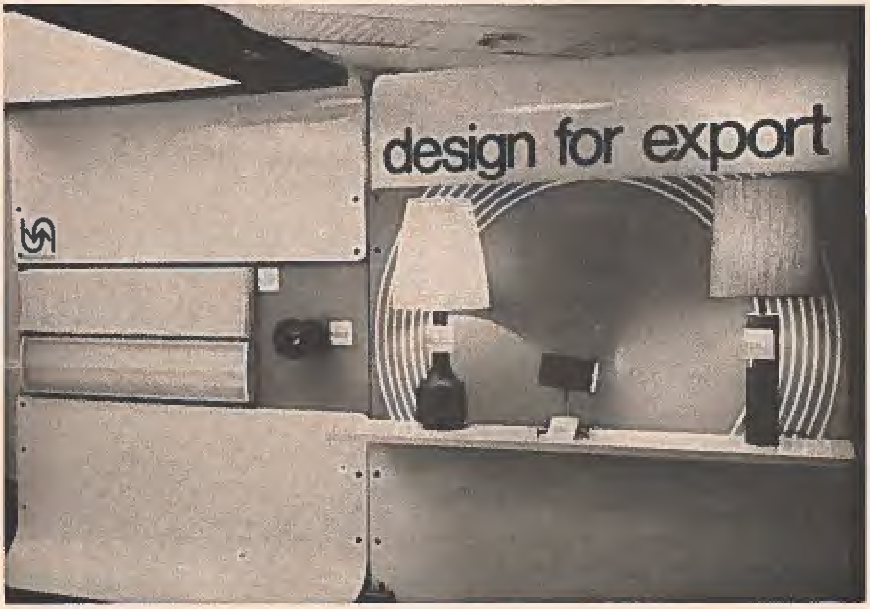
In addition to the immediate results, the three Maritime Provinces now have an easily transportable commercial display unit adaptable to any type and size of exhibit.

"Design for Export" Displays

■ A travelling display of top-line products of six Canadian lighting manufacturers was recently exhibited at the Canadian Consulates in Philadelphia, Boston, Detroit, Chicago and Cleveland. The display featured commercial and industrial lighting products of distinctive, functional design. They were selected from the Canadian Design Index, a ready-reference catalogue of high standard Canadian products chosen by the government-sponsored National Design Council.

The display, co-ordinated by the Department of Trade and Commerce, allowed Canadian lighting manufacturers to present their products to northeastern U.S. architects, contractors, builders and distributors. The participating companies were: Bostlund Industries Ltd., Oak Ridges, Ont.; Electrohome Ltd., Kitchener; Lighting Materials Ltd., Winnipeg; Lustro Metal Inc., Jonquiere, Que.; Rotaflex of Canada Ltd. and Wilson Lighting Ltd., both of Toronto. They exhibited a rich variety of designed lighting fixtures ranging from elegant hand-wrought stoneware lamps to a recently patented new concept in integrated ceiling panels.

A similar "Design for Export" office furniture display was featured at the Canadian Consulates in Detroit and Chicago in November. Again sponsored by the Department of Trade and Commerce, the products of the twelve participating Canadian furniture manufacturers had received the approval of the National Design Council and were included in the Design Index.



Good design sells and Canadian design is good. These beautiful lighting fixtures are part of a travelling display of products chosen from the Canadian Design Index and recently shown at the Canadian Consulates in Philadelphia, Boston, Detroit, Chicago and Cleveland.

Hospital Equipment in Sweden

NORMAN PARSONS
Commercial Assistant, Stockholm

■ Sweden's highly developed welfare state has created some of the world's most expensively equipped hospitals with more beds per capita than in any other country.

Public expenditure on health and medical services accounted for 3.6 per cent of the gross national product in 1960 and 4.5 per cent in 1967. The original estimates foresaw this rising to 6.4 per cent by 1980 but even if expenditures level off before that, high and expanding investment in hospital equipment is certain. In 1966, new investment in machinery and apparatus for hospitals and repair work on buildings and machinery amounted to Kr.234 million* and it is expected to be twice as great by 1970. The average cost per patient/day in general hospitals was five times as high in 1965 as in 1950.

All the country's 900 hospitals (140,000 beds) are under the control of the Government's National Board of Health and Welfare (Socialstyrelsen, formerly Medicinalstyrelsen). Less than 5 per cent of the beds are in privately-owned hospitals. Private hospitals are all under 160 beds and depend largely on county councils for funds. Most of them are "homes", especially for the mentally ill.

Sweden is divided into seven hospital regions, each with about a million inhabitants. Each has a regional hospital for 1,500 patients that includes a wide range of specialized clinics. The regional and another dozen hospitals are teaching hospitals. Next come 100 normal hospitals which typically care for 600 patients and service a population of 100,000. They have specialized clinics but not such a wide range as the regional hospitals. Regional and normal hospitals together account for only one-third of total beds; the others are in the 280 hospitals for 16,000 chronically sick, 40 hospitals for 30,000 mentally ill, and 160 homes for 7,000 other people requiring care, mostly the aged.

Hospital outpatient departments largely replace private practice in Sweden. In 1967, three million outpatients made six million hospital visits, excluding patients at X-ray departments. Five out of six of Sweden's 8,200 practising physicians are full-time employees in the hospital services. General practitioners just don't make house calls. To take some of the load off the hospitals, district medical stations have been set up with from one to four doctors and standard fixtures.

There are some 1,400 full-time private practitioners, including 300 who work as school or factory doctors. Swedish physicians prefer hospital work to one-man private practice but group private practices (läkarhusen) in which several specialists work together are on the increase.

Although the biggest expansion is expected to be in facilities for the chronically sick, the mentally ill and the aged, all of which require a comparatively small capital investment, the total new investment in machinery, apparatus and repairs will double between 1966 and 1970. Rising labor costs and the shortage of nursing staff put the accent on increasing productivity and installing labor-saving equipment.

How Hospitals Buy

Swedish hospitals' purchases are of the order of Kr.800 to 1,000 million a year, of which about one-eighth is food; the remainder is equally divided between equipment (machines and apparatus) and disposables (including sheets, bandages and surgical instruments). There is already considerable joint purchasing of such things as sheets, thread, X-ray film, bandages and food; in a few years' time there will be only a dozen purchasing points in the country. The supplier still needs to sell specialized products to the doctor heading a department but approval and payment are being centralized in the bigger county councils (Landsting), the medical services boards (Sjukvardsstyrelsen) and the universities. The Medical Board of the Armed Forces spends Kr.13 million a year on medical equipment and instruments and the Universities Planning and Equipment Board (Utrustningsnamnden) spends a similar amount on scientific and professional instruments; both these organizations are in Stockholm.

Another important trend in hospital purchasing is the move toward normal business practice in purchasing and away from public advertising of requirements. Government departments and boards are now expected to operate in much the same way as any business enterprise—to re-order from a previous supplier or invite quotations from a company with which contact has been made earlier.

The initiative for practically all medical equipment purchases is taken by doctors and technicians; the decision to buy is made by a purchasing agent or other administrator. A hospital usually has to wait at least a year from the time equipment is ordered to the time it is received. Each December the hospital management makes annual estimates for the Medical Services Board to examine in January. The Board passes its proposals to the City Council, which finally approves or rejects them the following December. The hospital may then have a further wait of three or four months before the manufacturer can deliver.

Even for standard goods such as bandages, forceps, glass and rubber articles, there may be a long wait. Individual hospitals in Stockholm send orders in daily to a central store but if the item is not in stock, a wait of half a year may be necessary. Wholesalers only keep very small stocks. The individual hospital has to look elsewhere and this provides a chance

*There are approximately five krona to one Canadian dollar.

for the newcomer to the market who has a long-term program and stocks.

Distribution in Sweden

Distributors of hospital and medical equipment may be divided broadly into two groups, the general and the specialized. In the general group there are two joint purchasing organizations, two major private companies and perhaps 50 smaller importers and wholesalers. These companies handle primarily disposables, surgical instruments, ward furniture and relatively straightforward capital equipment. The second group is made up of specialist agents and importers, concentrating largely on electronic and other advanced equipment; they provide highly qualified technical service and information and deal directly with customers.

The biggest company distributing hospital equipment and supplies is LIC (Landstingens Inkopscentral), the joint purchasing organization for all the county councils but not the county boroughs of Stockholm and Gothenburg. LIC was originally formed to bulk orders together and obtain quantity discounts; today its scope is rather broader but it is still a non-profit, low-margin, cost-cutting organization. Its turnover of Kr.171 million last year consisted mostly of consumables (a quarter textiles, one-sixth fuel and one-sixth food). It has specialized departments (for example, for X-ray equipment and medical electronics) and there are 17 branch offices throughout Sweden. LIC also manufactures bandages, orthopaedic footwear, stretchers, beds, transport equipment, dental equipment, heat sterilizers and food transport wagons, and it subcontracts the manufacture of standard hospital furniture. LIC acts as sole distributor for some products but sells only to hospitals and not to private practitioners, industry or the universities.

Selefa is the joint buying company for the 6,000 members of the Swedish Medical Association and sells mostly to the 1,400 private practitioners, though some items go to hospital doctors.

Almost all laboratory equipment is imported, the great bulk of it through four firms. One of them has extensive production of its own and handles only highly advanced equipment. The other three each aim to provide a complete range of laboratory equipment for hospitals, schools and industry—some 20,000 articles. Medical electronic equipment is mostly sold by firms with higher sales to industry than to hospitals. Two firms specialize in rehabilitation equipment.

Prices and Regulations

Importers' markups range from 15 to 100 per cent, less 10 to 25 per cent quantity discount.

For an instrument costing Kr.10,000 f.o.b. Montreal, add 10 per cent for Swedish customs duty (research instruments however often enter duty-free, the authorities deciding on each case), a further 10 per cent for freight, at least 30 per cent for the importer's overhead and profit and this brings the customer's price to at least Kr.16,000. For lower-priced instruments with a limited turnover the selling price might be as much as twice the Canadian f.o.b. price.

You may need approvals from the Medical Board (often in conjunction with the Materials Testing Institute), the Safety Board, the Bureau for Testing Electrical Equipment, or the Explosives Board (Medicinalstyrelsen and Statens Provningsanstalt, Arbetarskyddsstyrelsen, Sprangamnesinspektionen, Semko). The Institute for Hospital Rationalization (Spri) tests and evaluates the merits of equipment and publishes its conclusions on "best buys".

Opportunities for Canadian Manufacturers

Swedish manufacturers provide about a quarter of the hospitals' purchases of medical equipment and disposables. The best prospects for Canadians are products that are new or are a clear step ahead of competition. A new product is unlikely to make much impact if there is little to distinguish it from one already on the market with well-tried performance and backed by efficient service. Even a suitable product requires a long-term marketing effort and a substantial investment in service and especially in training personnel.

The Swedish medical equipment industry provides opportunities for Canadians to sell parts and subassemblies and to enter into research and licensing agreements. Paradoxically, market opportunities are probably best in those sectors singled out by the Swedish Ministry of Social Affairs as being suitable for expanded domestic production:

Diagnostic measuring equipment

Therapeutic equipment, respirators, pace-makers, equipment for narcosis and resuscitation

Safety equipment

Aids for the handicapped

Communications equipment, including computers for recording, storing and processing information

Laboratory equipment for rapid mass analysis

Easily transported sterilization equipment.

The Commercial Counsellor, Canadian Embassy, P.O. Box 14042, Kungsgatan 24, S-104 40 Stockholm, Sweden will be pleased to make inquiries on your behalf. Why not write to him, giving details of your product, prices, and how it is sold in Canada.

Exporting?

When you are packing for a busioess trip to a foreign market, be sure to save room for brochures about your company, pictures of your plant, aod copies of advertisemeots for your products in Canadian oewspapers and magazines. They will help a prospective ageot to decide whether to represeot you and may also influence poteotial customers. Ballpoint peos, rulers, lighters, etc., printed with the name of your company, make excellent small giveaways. Doo't forget a good stock of business cards, extra passport photographs, a supply of small notebooks to take the strain off your memory, and pleoty of company letterhead aod eovelopes.

foreign tariffs and trade regulations

Britain

IMPORT DEPOSIT SCHEME—Effective midnight November 27, 1968, the British Government implemented a prior deposit system whereby a deposit of 50 per cent of the value for duty purposes of certain goods will be required to be posted by the British importer and held interest free by British Customs for a period of six months.

Where goods are eligible for relief from customs duty under temporary import and re-export facilities they are also eligible for relief in respect to any import deposit.

Following is a list of goods, according to British Customs tariff chapter or heading, which are not subject to the import deposit:

Tariff Chapter or Heading and Product Description

Chapter 1—Live animals
Chapter 2—Meat and edible meat offals
Chapter 3—Fish, crustaceans and molluscs
Chapter 4—Dairy produce; birds eggs; natural honey
Chapter 5—Products of animal origin, not elsewhere specified or included
Chapter 7—Edible vegetable and certain roots and tubers
Chapter 8—Edible fruit and nuts; peel of melons and citrus fruits
Chapter 9—Coffee, tea, mate and spices
Chapter 10—Cereals
Chapter 11—Products of milling industry; malt and starches; gluten; inulin
Chapter 12—Oil seeds and oleaginous fruit; miscellaneous grains, seeds and fruit; industrial and medical plants; straw and fodder
Chapter 13—Raw vegetable materials of a kind suitable for use in dyeing or in tanning; lacs; gums, resins and other vegetable saps and extracts
Chapter 14—Vegetable plaiting and carving materials; vegetable products not elsewhere specified or included
Chapter 15—Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes
Chapter 16—Preparations of meat, of fish, of crustaceans or of molluscs
Chapter 17—Sugars and sugar confectionery
Chapter 18—Cocoa and cocoa preparations
Chapter 19—Preparations of cereals, flour or starch; pastry-cooks products
Chapter 20—Preparations of vegetables, fruit or other parts of plants
Chapter 21—Miscellaneous edible preparations
Heading 22.10—Vinegar and substitutes for vinegar
Chapter 23—Residues and waste from the food industries, prepared animal fodder
Heading 24.01—Unmanufactured tobacco
Chapter 25—Salt, sulphur, earths and stone, plastering materials, lime and cement
Chapter 26—Metallic ores, slag and ash
Chapter 27—Mineral fuels, mineral oils and products of their distillation, bituminous substances, mineral waxes
Subheading 28.01(B)—Bromine, iodine
Subheading 28.04(A)—Silicon, selenium
Ex Subheading 28.04(B)—Tellurium
Subheading 28.05(A)—Mercury

Tariff Chapter or Heading and Product Description

Subheading 28.11(A)—Arsenic trioxide
Heading 31.01—Guano and other natural fertilizers
Ex Subheading 31.02(A)—Natural sodium nitrate
Ex Subheading 31.03(B)—Basic slag
Subheading 31.04(B)—Certain mineral or chemical fertilizers, potassic
Ex Subheading 31.05(A)(2)—Fertilizers consisting solely of natural potassium nitrate and natural sodium nitrate
Heading 32.01—Tanning extracts of vegetable origin or animal origin
Heading 32.04—Coloring matter of vegetable origin or animal origin
Heading 33.01—Essential oils (terpeneless or not), concretes and absolutes, resinoids
Subheading 35.01(B)—Casein, caseinates and other casein derivatives
Heading 35.02—Albumins, albuminates and other albumin derivatives
Ex Subheading 35.03(B)—Edible gelatin
Headings 37.04 to 37.07—Exposed film and plates
Ex Subheading 38.03(C)—Flux, calcined diatomite
Heading 38.05—Tall oil
Heading 38.06—Concentrated sulphite-lye
Heading 38.07—Spirits of turpentine and other terpenic solvents, crude dipentine, sulphite turpentine, pine oil
Heading 38.08—Rosin and resin acids and derivatives, rosin spirit and rosin oils
Ex Subheading 38.19(IJ)(2)—Calcined bauxite
Heading 40.01—Natural rubber
Headings 40.03 and 40.04—Reclaimed and waste rubber
Heading 41.01—Raw hides and skins
Ex Subheading 41.02(A)—Goods other than dressed leather
Subheading 41.02(B)(2)—Goods other than dressed leather
Subheading 41.03(B)—Goods other than dressed leather
Subheading 41.04(B)—Goods other than dressed leather
Subheading 41.05(B)—Goods other than dressed leather
Heading 41.09—Leather parings and waste
Heading 43.01—Raw furskins
Headings 44.01 to 44.12—Wood, not planed or further manufactured
Headings 45.01 and 45.02—Natural cork and waste cork
Chapter 47—Papermaking material

Tariff Chapter or Heading and Product Description

Heading 49.01 to 49.07—Books, newspapers, maps, charts, manuscripts, typescripts, stamps, etc.
Subheading 49.09(A)—Trade advertising material stimulating travel abroad
Subheading 49.10(A)(1)—Trade advertising material stimulating travel abroad
Subheading 49.11(A)(2)—Trade advertising material stimulating study or travel abroad, or advertising exhibitions abroad
Ex Subheading 49.11(B)—Less than full size reproductions of certain books, newspapers, pictures and other products of the printing industry
Subheading 49.11(C)(1)(A)—Certain photographic prints
Subheading 49.11(C)(2)(A)—Certain parts of books and booklets
Subheading 49.11(C)(2)(B)—Certain printed documents and diagrams
Headings 50.01 to 50.03—Silkworm cocoons, raw silk and silk waste
Heading 53.01—Sheeps or lambs wool not carded or combed
Heading 53.02—Other animal hair
Headings 53.03 and 53.04—Waste of sheeps or lambs wool
Heading 53.05—Sheep or lambs' wool, carded or combed
Headings 54.01 and 54.02—Unspun flax and ramie
Headings 55.01 to 55.04—Raw cotton, linters, and waste
Headings 57.01 to 57.04—Unspun hemp, jute and other vegetable textile fibers
Heading 57.06—Yarn or jute
Ex Subheading 57.07(B)(2)—Yarn or coir
Heading 57.10—Woven fabrics of jute
Subheading 58.01(A)—Handmade knotted carpets, carpeting and rugs
Subheading 58.02(A)—Coir mats and mattings
Subheading 62.03(A)—Used sacks and bags of jute
Ex Subheading 62.03(B)—Sacks and bags of jute
Chapter 63—Old clothing and rags

Tariff Chapter or Heading and Product Description

Heading 71.01 to 71.10—Pearls, synthetic and natural, precious and semi-precious stones and precious metals not fully manufactured
Heading 71.11—Waste and scrap of precious metals
Chapter 72—Coin
Headings 73.01—Pig iron, cast iron and spiegeleisen, in pigs, blocks, lumps and similar forms
Heading 73.02—Ferro alloys
Headings 73.03 to 73.05—Iron and steel waste, scrap, shot, grit and powder
Headings 74.01 and 74.02—Copper matte, unwrought copper, copper waste and scrap, master alloys
Heading 75.01—Nickel mattes, unwrought nickel, waste and scrap
Subheading 75.05(A)—Unwrought electroplating anodes of nickel
Heading 76.01—Unwrought aluminum and waste and scrap
Heading 77.01—Unwrought magnesium and waste and scrap
Subheading 77.04(A)—Waste and scrap beryllium
Ex Subheading 77.04(B)—Unwrought beryllium
Heading 78.01—Unwrought lead and waste and scrap
Heading 79.01—Unwrought zinc and waste and scrap
Heading 80.01—Unwrought tin and waste and scrap
Chapter 81—Tungsten, molybdenum, tantalum and certain other base metals
Ex Subheading 88.02(B)—Aircraft of a maximum total weight exceeding 18,000 pounds
Subheading 89.01(A)—Ships of 80 tons gross or more
Subheading 89.01(B)—Certain fishing vessels
Subheading 89.02(A)—Tugs of 80 tons gross or more
Subheading 89.03(A)—Certain other vessels of 80 tons gross or more
Heading 89.04—Vessels for breaking up
Ex Heading 92.12—Sound recordings, not produced in quantity and not for general sale
Chapter 99—Works of art, collectors pieces and antiques

Ceylon

OPEN GENERAL LICENCE LIST CHANGED—Import Control Notice No. 22/68 published in the Ceylon Government Gazette of October 19, 1968 revises the list of items permitted to be imported under Open General Licence to conform with the Brussels Tariff Nomenclature adopted by the Customs Department in August this year.

There are no new items on the Open General Licence which might offer increased opportunities for Canadian suppliers. Here are those (with the revised classification) for which it might be possible to find local outlets:

05.15	Ampoules of frozen semen imported for breeding of animals
10.03	Barley
11.07	Malt
25.03	Sulphur
39.01/.02	Plastic products in primary forms
48.01	Newsprint and kraft paper
51.01/.02/.03	Yarn of manmade fibers
63.01	Old woollen clothing and old woollen blankets
65.06	Safety helmets
70.20	Fiberglass insulating material
73.32	Bolts and nuts
74.15	Bolts and nuts
82.03	Hand tools

Besides these, most of the iron and steel products listed as approved items importable under Open General Licence offer some prospects.

Finland

QUANTITATIVE RESTRICTIONS EASED—A number of items formerly subject to global quota on entry into Finland are no longer subject to quantitative restrictions. The products covered include certain fish, fresh, chilled, or frozen; cut flowers; certain fresh or preserved vegetables; fresh fruits, including apples imported between January 1 and May 31; vegetable starches for specific uses; gluten and gluten flour; and fruit juices.

Further information on the specific products covered by this notification may be obtained from the European Division, Office of Area Relations, Department of Trade and Commerce, Ottawa.

Nigeria

FOREIGN COMPANIES—As a result of representations made by various interests, the Nigerian Federal

Military Government has decided to postpone implementation of the provisions of the decree relating to foreign companies with subsidiaries in Nigeria until December 31, 1968. (The effective date of the decree had been November 18, 1968.)

No foreign company will be allowed to continue business in Nigeria after this date (December 31, 1968) without being incorporated as a Nigerian enterprise in accordance with this decree.

Philippines

INCREASED TIME DEPOSITS—On June 27, 1968, the Monetary Board of the Central Bank of the Philippines increased the levels of the marginal special time deposits which an importer must make before opening a letter of credit. These now range from 50 per cent for essential producers' and consumer goods to 175 per cent for luxury items. Previously, the rates were 25 per cent and 150 per cent.

trade lines

Desulphurization plant built in Venezuela

The Creole Petroleum Company has built a Cdn.$13.2 million desulphurization plant on Lake Maracaibo at Amuay, Venezuela, to reduce the impurities in local petroleum so that it may be sold in the Eastern U.S. The plant will produce 300 tons of sulphur a day—Caracas.

Caracas will stage Housing Congress

The Second Inter-American Housing Congress which will study housing problems in Latin America will be held in Caracas from January 18 to 26, 1969. Delegates are expected from the whole Western Hemisphere—Caracas.

Hong Kong improves airport facilities

Hong Kong's Kai Tak airport handled a total of 62,350 aircraft in 1967-68, 28.6 per cent more than in 1966-67. Measures to improve the terminal building, terminal apron and associated taxiways, air cargo terminal, and runway and air traffic control will increase the airport's passenger capacity from 720 an hour to 1,100—Hong Kong.

Private industry invests in southern Italy

Several Italian firms plan to invest or expand in southern Italy. FIAT will invest some $59.5 million in Apulia. A car factory with an annual capacity of 50,000 cars will begin operating within two years in Sicily. Montecatini-Edison plans to increase its investment by $340 million before 1970 and is studying projects worth $170 million for the period after 1970. Pirelli's investment in the South between 1968-72 will total $85 million and result in the creating of 4,000 new jobs. SNIA Viscosa has opened three plants in Sardinia which will employ 1,000 people, a total investment of some $34 million. Another synthetic fiber plant is being built near Naples—Rome.

World Trade Center planned for Rotterdam

Plans are under way for the construction of a World Trade Center in Rotterdam. To be completed by mid-1972, the 10-acre, twin-office tower will provide offices for importers, exporters and foreign traders, display areas for their products, an international trade information library and a 300-room hotel. It will be built only minutes from Rotterdam's downtown center and construction will start next year—The Hague.

French paper companies merge

Six French paper companies, including Papeteries Arjomari and Papeteries Prioux, will merge into one to be known as Papeteries Arjomari-Prioux. With nine papermills, 3,000 employees, an annual turnover of 250 million francs, and a production capacity of 100,000 metric tons a year, the new company will be the fourth largest French paper company, ranking next to La Cellulose du Pin, La Rochette-Cenpa and Papeteries de France—Paris.

Italy's capital exports increase

Exports of capital from Italy have gone up sharply; the balance-of-payments deficit on capital account reached $843.2 million in January-June 1968 compared with $583.1 million in the same period of 1967. In July 1968 alone the deficit increased to $141.1 million from $35.7 million in July 1967. Among the reasons listed for the deficit are the low level of domestic interest rates and the narrowness of the Italian share market—Rome.

Improved tanning process developed in Brazil

A new semi-industrial process to accelerate the chemical reaction in the tanning of hides has been developed by two Brazilian teachers at the Tannery Technical School in Rio Grande do Sul. The method is considered to be profitable because the tanning process can be completed in less than two weeks—Sao Paulo.

Canadian firm takes over U.S. company

The Canadian subsidiary of Air Liquide, France, plans to take over American Cryogenics. This U.S. company in the Standard Oil group produces and sells industrial gases in the U.S., and has an annual turnover of some $20 to $25 million—Paris.

West Germany has record grain crop

West Germany's 1968 grain crop is estimated at a record high of approximately 18.8 million metric tons. This exceeds the 1967 bumper crop by some 950,000 metric tons and the 1962-67 average by 3.2 million metric tons. The quality of the wheat crop is better than was expected—Bad Godesberg.

Brazil's "Bandeirante" makes maiden flight

Brazil's first twin-engine aircraft, the "Bandeirante", made its first flight this autumn. The aircraft is a cargo carrier adaptable for combat and can carry nine passengers and a crew of two in a pressurized cabin. It is powered by two 580 hp. Canadian Pratt & Whitney PT6-A20 turboprops and has a maximum level speed of 282 miles an hour at 10,000 feet and cruising speed of 267 miles per hour. Its rate of climb is 1,770 feet a minute—Sao Paulo.

Big hotel planned for Paris

The Aparhotel Melia France Company will build a 1,000-room hotel in Paris similar to the one lately opened in Madrid. This new company is part of the Melia Madrid group, Spain's most important travel agency—Paris.

Venezuelan feed company will expand

Venezuela's largest livestock feed company has issued a Cdn.$6.2 million IFC-guaranteed bond issue with the aid of the Compania Anonima de Desarrollo (Cavendes). The Venezuelan firm, which produces more than 53 varieties of livestock feed and supplies more than 60 per cent of such products, will use the funds to expand its grain silos in Valencia and construct other facilities in Acarigua—Caracas.

Venezuela to have centrifugal cast iron plant

The Venezuelan Government steel corporation, Siderurgica del Orinoco, is building a new centrifugal cast iron plant. A large French firm is said to be providing technical assistance for planning and constructing the plant and training local labor to run it—Caracas.

Hong Kong plans new hospitals

Hong Kong is planning to build a 1,300-bed general hospital in three interconnected blocks and a 1,000-bed mental hospital on the same site. The general hospital will be the second largest in the colony—Hong Kong.

New packaging venture in Holland

Koninklijke Papierfabrieken van Gelder Zonen, the only Dutch newsprint manufacturer, will make flexible packing materials for food and other consumer goods at Apeldoorn. This will be its second joint venture with U.S. Crown Zellerbach. Production will begin mid-1969 and the output will be mainly sold in the EEC—The Hague.

Canadian potatoes up in the clouds

The State of Merida in the Venezuelan Andes has just built silos for potatoes at an altitude of 15,000 feet, probably the highest in the world. These will be used to store potatoes grown from Canadian seed. We exported to Venezuela 32.9 million pounds of seed in 1967, a 50 per cent increase over 1966 and close to 85 per cent of the total market—Caracas.

Israel's tourist industry a leading money-earner

The tourist industry is now competing with the export of citrus fruit as the leading earner of foreign exchange, according to the Israel Treasury Department. In the first half of 1968, the income from tourism reached $42.4 million and the estimate for the full year is $92 million, about the same as is expected from citrus exports.

IADB helps Mexican agriculture

Mexico plans to irrigate nearly 104,000 acres of farm land in the northeast state of Tamaulipas at a cost of $62.3 million. The Inter-American Development Bank is financing 45 per cent of the total cost through two loans. One, for $27.5 million, comes from the Bank's ordinary capital resources and the other, for $1.2 million, from the Fund for Special Operations. The project, when completed, should mean an increase in agricultural production in the area from the present value of $184,000 a year to an ultimate $21 million —Washington.

Leather industry under study in Brazil

The Brazilian Development Commission has approved 15 projects at a cost of approximately Cdn.$1.3 million to expand and modernize its leather and leather goods industry. The Commission wants to encourage leather manufacturers to increase productivity and improve quality and may suggest tax privileges and government loans for firms which improve production without raising prices. The creation of consortia of leather manufacturers for exporting to foreign markets is also under study—Rio de Janeiro.

Belfast shipyard receives Onassis order

The Belfast shipbuilding firm, Harland & Wolff Limited, will build three 255,000-ton tankers at a cost of $25 million for Greek shipowner Onassis. This will provide employment for the shipyard's labor force well into the 1970's and give an impetus to Northern Ireland's economy—Belfast.

French appliance firms merge

Thomson-Brandt and Cloret, two French electrical household appliance firms, have merged. The new company will control 80 per cent of the French refrigerator industry and 50 per cent of the washing-machine industry—Paris.

Trade Commissioners on Tour

In Canada

If you wish to meet the officers whose itineraries are listed below, get in toucb witb—

Ottawa—Department of Trade and Commerce

St. John's, Halifax, Montreal, Winnipeg, Edmonton and Vancouver—Regional Office, Department of Trade and Commerce

Toronto—Canadian Manufacturers Association

Windsor, Ontario—Greater Windsor Industrial Commission

Fredericton, New Brunswick—Department of Industry

All other centers—Board of Trade or Chamber of Commerce

Hong Kong—R. G. Godson, Trade Commissioner in Hong Kong:

Montreal—January 13-17
Thetford Mines, Valcourt—January 20
Quebec City, Levis—January 21
Toronto—January 22-28
Ajax, Port Perry—January 29
Acton, Stratford—January 30
Sarnia—January 31
Niagara Falls, Welland—February 3
Hamilton, Oakville—February 4
Winnipeg—February 5-6
Edmonton—February 7
Lethbridge—February 10
Calgary—February 11
Kelowna—February 12
Vancouver—February 13-14

Temporary Duty in Ottawa

The following will be on temporary duty in Ottawa and may be contacted through the Trade Commissioner Service, phone 992-9930 (area code 613).

R. G. Godson, Trade Commissioner in Hong Kong, January 6-10.

In Territory

Barbados—K. G. Ramsay, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Bridgetown January 13-16.

Britain—Trade Commissioners in tbe Liverpool office will make periodic visits during December and January to business centers in their territory, including Birmingham, Leeds and Mancbester.

Bulgaria, Hungary, Romania—Trade Commissioners in the Vienna, Austria, office make frequent visits to these countries, but often there is not time to publisb tbeir itineraries in advance. Therefore, Canadian businessmen wbo would like the Trade Commissioners to undertake assignments for them in these East European countries are advised to write to tbe Vienna office immediately.

Guyana—D. Hobson-Garcia, Commercial Officer in Port-of-Spain, Trinidad, will visit Georgetown January 7-9.

Leewards—J. A. Ahow, Commercial Officer in Port-of-Spain, Trinidad, will visit Antigua, Montserrat and St. Kitts January 20-24.

Surinam and Frencb Guiana—K. G. Ramsay, Commercial Counsellor in Port-of-Spain, Trinidad, will visit Paramaribo, Surinam, and Cayenne, French Guiana, January 27-30.

Taiwan—R. A. Fairweather, Vice Consul and Assistant Trade Commissioner in Manila, Philippines, will visit Taiwan January 20-24.

Thailand—A Trade Commissioner from Singapore will be making a monthly visit to Thailand throughout 1969. Correspondence should normally be addressed to the Singapore office although contact can also be made through the Canadian Embassy in Bangkok, P.O. Box 2090 (telex: 2277; cable: DOMCAN, Bangkok; phone 32-956).

Trinidad—D. Hobson-Garcia, Commercial Officer, Port-of-Spain, will visit South Trinidad January 28.

Turkey—Trade Commissioners in the Atbens, Greece, office visit Istanbul and Ankara approximately every six weeks.

Businessmen who would like the above to undertake assignments for them should write to the post as soon as possible.

Markets in Brief

NETHERLANDS

Area: 12,906 square miles.

Population: 12,661,100 (January 1968).

Climate: moderate.

Topography: flat.

Language: Dutch.

Currency: florin or guilder; one florin equals Cdn.$0.2974 (December 1968).

Foreign exchange and import controls: foreign exchange freely available for all imports; a very few commodities subject to import licensing.

Weights and measures: metric system.

Capital: Amsterdam; seat of government, The Hague.

Chief ports: Rotterdam and Amsterdam.

Marketing centers: Amsterdam (population) 857,635, Rotterdam 710,871, The Hague 576,160, Utrecht 274,388, Eindhoven 184,519, Haarlem 173,133.

Economy: important primary and secondary industries; well-developed agriculture; natural resources consisting of natural gas, coal, oil and salt. Rotterdam, largest port in the world, handles extensive quantities of goods destined for transshipment to Western European countries. There are large oil refineries in the vicinity of Rotterdam.

Total Netherlands imports: 1967—Cdn.$9,046 million; 1966—Cdn.$8,707 million.

Chief imports: (per cent) 1967—petroleum and petroleum products 10.5; yarns, fabrics and finished textiles 10; industrial machinery 9.9; transport equipment 7.3; iron and steel 7; electrical machines and appliances 6.

Chief suppliers: (per cent) 1967—West Germany 25.4, Belgium and Luxembourg 18.4, United States 10.6, France 6.4, Britain 5.5, Italy 4.

Value of imports from Canada: 1967—Cdn.$176.4 million; 1966—Cdn.$143.1 million.

Chief imports from Canada: (Cdn.$ million) 1967—woodpulp 7.9, lumber 7.7, iron ore 5.0, oilseeds 5.1, ores other than iron 4.6, wheat 4.0, chemicals 3.7, scientific and medical equipment 3.0, milk powder 2.4, hand and machine tools 1.9, grains other than wheat 1.9, paper and cardboard 1.9.

Total Netherlands exports: 1967—Cdn.$7,914 million; 1966—Cdn.$7,333 million.

Chief exports: (per cent) 1967—yarns, fabrics and finished textiles 9.1; electrical machines and apparatus 8.2; petroleum and petroleum products 7.9; industrial machinery 6.9; dairy products and eggs 4.8; transport equipment 4.4; fruit and vegetables 4.3; chemicals 4.1; meat and meat products 3.9.

Chief markets: (per cent) 1967—West Germany 26.9, Belgium and Luxembourg 14.7, France 9.2, Britain 8.8, Italy 5.0, United States 4.7.

Value of Canadian purchases: 1967—Cdn.$64.8 million; 1966—Cdn.$60.5 million.

Chief Canadian purchases: 1967 (Cdn.$ million)—electrical machines and appliances 14.15; yarns, fabrics and finished textiles 3.18; nursery products 3.15; musical instruments 3.12; scientific and medical instruments 3.0; cocoa and cocoa products 2.7; chemicals 2.2; office machines 2.2.

Prices: quote in Canadian dollars or Netherlands florins, preferably c.i.f. Netherlands port.

Usual terms of payment: sight and usually 30, 60 or 90 days.

Samples: dutiable only if of commercial value; travellers' samples are also free, provided they are recognizable as samples. A bond may be required by the Customs.

Visas: no visa is required. **Inoculations:** none.

Trade agreements: most-favored-nation agreement with Canada as a member of GATT; preferential tariff treatment for imports from Belgium, Luxembourg, West Germany, France, Italy and, in general, overseas territories of the Common Market partners.

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

Correspondence: airmail only; letters 15 cents per half ounce.

For detailed information on this market write to:

European Division, Office of Area Relations, Department of Trade and Commerce, Ottawa, or

Commercial Counsellor, Canadian Embassy, Sophialaan 7, The Hague, Netherlands.

SWITZERLAND

Area: 15,944 square miles.

Population: 6,036,000 (beginning of 1968).

Climate: temperate, except southern portion of the Canton of Ticino, which is Mediterranean.

Languages: German, French, Italian, Romansh; first two most important; latter used only in one small region.

Currency: Swiss franc; one SFr equals Cdn.$0.2497 (November 1968).

Foreign exchange and import controls: foreign exchange is freely available. Import licences required only for a few agricultural products and a limited number of industrial items.

Weights and measures: metric system.

Capital: Berne, altitude 1,788 feet.

Chief port: Basel, at head of the Rhine navigation system.

Marketing centers: (population beginning of 1968) Zurich 432,500, Basel 212,100, Geneva 170,500, Berne 166,800, Lausanne 136,600, Winterthur 91,000, St. Gallen 78,200, Lucerne 73,700, Lugano 22,200.

Economy: highly industrialized and heavily dependent on exports of certain goods. Agriculture is important, as are banking, insurance, commerce, the tourist trade, transportation, communications. The economy is based on private enterprise with a minimum of government controls.

Total Swiss imports: 1967—SFr17,786 million; 1966—SFr 17,005 million.

Chief imports: (millions of SFr) 1967—machinery 1,782, vehicles 1,319, iron and steel 1,150, fuels and mineral oils 1,115, electrical machines and apparatus 891, chemical products 813, precious metals and jewellery 671, synthetic products 444, fresh fruit 393, cereals 390.

Chief suppliers: (per cent) 1967—West Germany 28.8, France 13.8, Italy 9.9, United States 8.2, Britain 7.8.

Value of imports from Canada: 1967—Cdn.$23.8 million; 1966 —Cdn.$31.0 million.

Chief imports from Canada: (Cdn.$ million) 1967—wheat 10.8; copper and copper wire and profiles 5.5; fur goods, apparel 3.1; asbestos 1.8; oats 1.5; raw lead 1.3; motor vehicles 1.2; meat 1.1.

Total Swiss exports: 1967—SFr15,165 million; 1966—SFr 14,204 million.

Chief exports: (millions of SFr) 1967—machines, apparatus 3,390; watches 2,171; chemical products 1,098; electrical machines and apparatus 879; colors, cements, inks 677; pharmaceuticals 650; optical and medical instruments and apparatus 642; precious metals, jewellery, pearls 543; iron and steel 299; yarns 297.

Chief markets: (per cent) 1967—West Germany 13.3, United States 10.3, France 9.1, Italy 8.6, Britain 7.5, Austria 5.1.

Value of Canadian purchases: 1967—Cdn.$66.0 million; 1966 —Cdn.$50.3 million.

Chief Canadian purchases: (Cdn.$ million) 1967—machines and apparatus and parts 10.8; watches, clocks and parts 9.9; gold and gold alloys 4.6; electrical machines and apparatus and parts 4.1; optical and medical apparatus and instruments and parts 3.7; heterocyclic compounds 3.2; synthetic organic dyestuffs 3; textiles 2.4; cheese 2.

Communications: fast and frequent rail service between all principal cities. A large number of international airlines land at both Geneva and Zurich. A Canadian airline provides direct service from Canada to Zurich, and both Canadian overseas airlines have offices in Zurich and Geneva.

Prices: quote U.S. dollars, Canadian dollars, or Swiss francs, c.i.f. Rotterdam/Antwerp.

Usual credit terms: terms are arranged for varying periods.

Samples: dutiable if wholesale value abroad exceeds SFr5.

Visas: no visa is required. **Inoculations:** none.

Trade agreements: most-favored-nation agreement with Canada.

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

Correspondence: airmail only; letters 15 cents per half ounce.

For detailed information on this market write to:

European Division, Office of Area Relations, Department of Trade and Commerce, Ottawa, or

Commercial Secretary, Canadian Embassy, Kirchenfeldstrasse 88, 3000 Berne, Switzerland.

Foreign Exchange Rates

These nominal quotations may help exporters in checking prices, but they should consult their ban before making any firm commitments. When more than one rate is shown, the one to be used depen on the commodity traded. Information on the rate for any specific commodity may be obtained fro 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 buyi rate is that at which banks purchase exchange from exporters; the selling rate is that at which ban sell exchange to importers.

Rates used exclusively in non-merchandise trades 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 December 9	Value of Canadian dollar in foreign currency units at December 9
Algeria		
Dinar	.2168	4.61
Argentina		
Peso (free)	.0031	322.58
Australia		
Dollar	1.194	.8340
Austria		
Schilling	.0415	23.98
Bahamas		
Dollar	1.052	.9506
Belgium and Luxembourg		
Franc	.0214	46.25
Bermuda		
Pound	2.567	.39
Bolivia		
Peso	.0902	10.97
Brazil		
Cruzeiro (official free)	.2955	3.50
Britain		
Pound	2.558	.39
British Honduras		
Dollar	.6395	1.56
Burma		
Kyat	.2254	4.43
Ceylon		
Rupee	.1803	5.54
Chile		
Escudo (bank rate)	.1427	7.00
(free)	.1255	7.96
China, Republic of		
New Taiwan Dollar (official)	.027	37.04
Colombia		
Peso (fixed)	.064	14.95
Congo, Republic of[1]		
Franc	2.149	.4653
Costa Rica		
Colon	.1620	6.12
Cuba[2]		
Peso	....	....
Czechoslovakia		
Koruna	.1491	6.70
Denmark		
Krone	.1433	6.98
Dominican Republic		
Peso	1.073	.93
Ecuador		
Sucre (official)	.0596	16.50
(free)	.0534	18.45
El Salvador		
Colon	.4294	2.35
Fiji		
Pound	2.465	.41
Finland		
Markka	.2556	3.91
France, Monaco, etc.[3]		
Franc	.2168	4.61
Franco-African Republics[4]		
Franc	.0043	235
French Pacific[5]		
Franc	.0119	84.24
Germany		
D Mark	.2690	3.71
Ghana		
New Cedi	1.052	.95
Greece		
Drachma	.0358	27.93
Guatemala		
Quetzal	1.073	.93
Guyana		
Dollar	.5367	1.85
Haiti		
Gourde	.2147	4.65
Honduras		
Lempira	.5367	1.86
Hong Kong		
Dollar	.1771	5.64
Hungary		
Forint (official)	.0921	10.86
Iceland		
Krona (official)	.0122	81.96
India		
Rupee	.1420	7.02

Country and Currency	Value of Foreign currency unit in Canadian dollars at December 9	Value of Canadian dollar in foreign currency units at December 9
Indonesia[6]		
Rupiah	....	....
Iran		
Rial	.0142	70.42
Iraq		
Dinar	3.006	.33
Ireland		
Pound	2.558	.39
Israel		
Pound	.3067	3.23
Italy		
Lira	.0017	581.86
Jamaica		
Pound	2.558	.39
Japan		
Yen	.0030	333.33
Kenya		
Shilling	.1526	6.55
Lebanon		
Pound (free)	.3328	3.00
Malaysia		
Dollar	.3507	2.85
Mexico		
Peso	.0859	11.64
Morocco		
Dirham	.2121	4.72
Netherlands		
Florin	.2974	3.35
Netherlands Antilles		
Florin	.5692	1.76
New Zealand		
Dollar	1.197	.83
Nicaragua		
Cordoba	.1533	6.51
Nigeria		
Pound	2.990	.33
Norway		
Krone	.1503	6.64
Pakistan		
Rupee	.2254	4.43
Panama		
Balboa	1.073	.93

Country and Currency	Value of Foreign currency unit in Canadian dollars at December 9	Value of Canadian dollar in foreign currency units at December 9
Paraguay		
Guarani (free)	.0086	116.28
Peru		
Sol (free)	.0241	41.66
Philippines		
Peso (free)	.2751	3.63
Poland		
Zloty (fixed basic rate)	.2685	3.72
Portugal & Colonies[7]		
Escudo	.0373	26.80
Saudi Arabia		
Riyal	.2066	4.84
Sierra Leone		
Leone	1.503	.66
Singapore		
Dollar	.3507	2.85
South Africa		
Rand	1.503	.66
Spain & Dependencies		
Peseta	.0154	64.25
Sweden		
Krona	.2074	4.81
Switzerland		
Franc	.2495	4.00
Syria		
Pound (free)	.2812	3.55
Thailand		
Baht (free)	.0521	19.19
Trinidad & Tobago[8]		
Dollar	.5392	1.85
Tunisia		
Dinar	2.045	.48
Turkey		
Lira	.1193	8.38
United Arab Republic		
Pound (official)	2.469	.40
United States		
Dollar	1.073	.93
Uruguay		
Peso (free)	.0043	232.55
Venezuela		
Bolivar (official free)	.2392	4.18
Yugoslavia		
Dinar (official)	.0859	11.64

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, 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. Also used in Barbados, Leeward and Windward Islands.

Colombia Develops Its Caribbean Coast

SAMUEL F. PATTEE, *Assistant Commercial Secretary, Bogota*

■ Colombia is not generally considered part of the Caribbean area although it has a thousand miles of coastline on the Caribbean and most of its trade with North America and Europe goes through the ports of Cartagena, Santa Marta and Barranquilla.

The Caribbean coastline runs from the semi-arid Guajira peninsula, with vast reserves of coal (estimated at 200 million tons) and gypsum, to the torrid Choco region on the Panama border. The Choco could have the largest power development in the country and might one day provide an alternative to the Panama Canal. The rest of the Caribbean coastal region is largely savannah but also includes the Sierra Nevada de Santa Marta with Colombia's highest peak, La Horqueta (19,152 feet).

The whole area is at present, or soon will be, undertaking a vast development program. Projects range from the Riohacha-Paraguachon highway (for which tenders were recently issued) to a conveyor system for loading bananas at Santa Marta and hydroelectric plants on the San Juan and Atrato Rivers in the Choco (now being studied by the Choco Development Corporation).

The Food and Agriculture Organization of the United Nations (FAO) is to undertake an agricultural development and diversification program in northern Magdalena. In addition to technical assistance, vehicles, field equipment and implements, irrigation measuring equipment, fertilizers and plant protection materials will be provided.

One of the most important parts of the development of the Caribbean coast is the port expansion program now under way at Cartagena, Barranquilla and Santa Marta. Financed with the help of a $15 million loan from the Inter-American Development Bank and profits from port operations, the new facilities will ease congestion and cut the time ships wait for loading and unloading. The program is to be completed in 1969 and will mean 65 per cent more dock space for sea-going vessels at the three Caribbean ports and Buenaventura on the Pacific, 75 per cent more warehouse space, and twice as much cargo-handling capacity.

At the present time, the three Caribbean ports handle about half of the total foreign trade of the country. Cartagena is the clearing-house for its immediate area and draws a large trade from the hinterland, particularly platinum from the headwaters of the Atrato and San Juan rivers, coffee from the Sierras, and oil products brought in by the 335-mile Andean pipeline from the refineries at Barrancabermeja. Investment in new building and warehouse space, in railroad track and other services, and in port equipment will total nearly $3.2 million.

Ten and sixty miles south of Cartagena are the ports of Mamonal and Covenas. Covenas is the terminal of the 260-mile crude oil pipeline from the Barco oilfields near the Venezuelan frontier; Mamonal is the terminal of the 320-mile pipeline which starts in Galan and is connected with the Barrancabermeja oilfields. Through these two ports alone, almost three million tons of crude oil were exported in 1967.

The opening of the Atlantico railroad from the interior to Santa Marta in 1961 suddenly made it one of the busiest ports in the country. Santa Marta is also connected with the interior by road and has access 20 miles away to barge transportation up the Magdalena River. Total investment in the port of Santa Marta is estimated at $1.2 million; the Colombia Port Authority is planning an additional investment of $3.9 million in new facilities which are to be completed by the end of 1969.

Barranquilla is connected with the interior by two major roads, one going south through Medellin and the other going first east then south through Bucaramanga to Bogota. Barranquilla's port facilities include 765 yards of dock space for ocean-going vessels, 1,400 yards of docks for river craft, and 114,000 square feet of warehouse space. The expansion under way will produce an additional 700 yards of dock frontage for sea-going vessels and 950 yards for river vessels, and 108,000 square feet of new building and warehouse space. Investment in the present facilities and those planned to be completed by 1969 will amount to approximately $4.3 million.

Within the framework of regional integration, as envisaged by the six members of the Andean Group, the Inter-American Bank recently announced the approval of a $12.7 million loan to Colombia for a 179-mile highway complementing the national road network and facilitating its integration with Venezuela's system. The road will be part of the projected Caribbean Transverse Highway from the Panamanian border to Venezuela. It will also improve communications along Colombia's Atlantic coast and with principal centers in the interior. It is expected to boost tourism from Colombia and Venezuela, thus assisting the economic development of the Guajira region.

Colombia is slowly awakening to the tourist potential of its Caribbean coast. It has some of the most beautiful beaches in South America as well as a spectacular variety of scenery but has so far done little to attract the North American tourist. The Colombian Tourist Board is now making studies for the development of the Atlantic coast to take advantage of its natural attractions. This would include construction of several hotels and motels, new highways and other facilities.

In the Caribbean 300 miles north of the Colombia coast and 110 miles east of Nicaragua lie San Andres and Providencia, two small islands which have belonged to Colombia since 1822. San Andres, with its free port, is a favourite vacation spot for Colombians and Central Americans. Expansion of the present airport to accommodate jet aircraft is under way and there are plans for at least one large first-class hotel.

The Colombian Caribbean coast offers many possibilities for investment and for the supply of equipment in fields such as highway construction, agricultural development, tourist facilities and hydroelectric power. Canadian manufacturers may obtain information from this office.

What would you be thinking of, my fair Maureen?

—the sun-baked desert

—the blue of old Ireland's hills

—the teeming cities of the East?

News of Canadian products reaches them all through CANADA COURIER

This is an ottractive tabloid which the Department of Trade and Commerce produces and mails to 170,000 readers in over a hundred countries. There are editions in French, Spanish, Arabic, German, an internationol edition in English, and a special one for the United Stotes. The mailing lists are kept up-to-dote by Canadian Trade Commissioners in their posts around the world.

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