



DAILY INFORMATION BULLETIN

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MONDAY, SEPTEMBER 17, 1979

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PROTECTIONISM WILL BACKFIRE — SIR MURRAY WARNS

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THE GOVERNOR, SIR MURRAY MACLEHOSE, TODAY (MONDAY) WARNED MAJOR ECONOMIC POWERS THAT THE GREATER THE RESTRICTIONS ON IMPORT OPPORTUNITIES FOR EFFICIENT DEVELOPING COUNTRY PRODUCERS, THE GREATER THE PRESSURE WOULD BE ON THEM TO MOVE UP MARKET.

+AND THIS WAY NOT ONLY DO THEY INCREASE THEIR EARNINGS FROM A LIMITED VOLUME OF TRADE BUT ALSO THEY MUST TEND TO COMPETE MORE DIRECTLY WITH THE HIGHER END OF THE MARKET TRADITIONALLY SERVED BY DOMESTIC PRODUCERS,+ HE SAID.

+THE VOICE OF CONSUMER INTERESTS — AND AT THE END OF THE DAY IT IS THEY WHO HAVE TO PAY — IS INCREASINGLY BEING HEARD IN PROTEST AT THE COST OF PROTECTIONISM.+

SIR MURRAY WAS SPEAKING AT THE OPENING OF THE INTERNATIONAL CONFERENCE OF THE CLOTHING AND FOOTWEAR INSTITUTE HELD AT THE CITY HALL THEATRE.

OBJECTIVE STUDIES BY IMPARTIAL OFFICIAL AND ACADEMIC BODIES IN DEVELOPED COUNTRIES ARE BEGINNING TO PROLIFERATE, UNDERLINING THE ARGUMENTS AGAINST PROTECTIONISM, SIR MURRAY POINTED OUT.

+THIS IS TIMELY. WE ARE APPROACHING ANOTHER CRITICAL PERIOD IN THE EVOLUTION OF THIS SITUATION AND IF CLEAR SIGHTEDNESS AND ENLIGHTENED LONG TERM SELF-INTEREST ON THE PART OF MAJOR POWERS DO NOT PREVAIL, THE CONSEQUENT DAMAGE MAY NOT BE CONFINED TO THE FEW SO-CALLED LOW COST SUPPLIERS OF TEXTILE PRODUCTS,+ THE GOVERNOR WARNED.

SIR MURRAY SAID THE SHADOW OF PROTECTIONISM HAD LENGTHENED OVER WORLD TRADE IN RECENT YEARS. +WITH THE EXCEPTION OF JAPAN, AND THAT NOW TO A DIMINISHING DEGREE, ALL THE SUPPLIERS WHOSE TRADE HAS BEEN RESTRICTED HAVE BEEN PART OF THE DEVELOPING WORLD.+

SIR MURRAY STRESSED THAT THE SPECIAL RULES UNDER THE MULTI-FIBRE ARRANGEMENT SPECIFICALLY STATED THEIR INTENTION TO BE THE EXPANSION OF TRADE AND PROGRESSIVE LIBERALISATION, WHILE AT THE SAME TIME ENSURING ORDERLY DEVELOPMENT AND AVOIDING DISRUPTIVE EFFECTS IN BOTH IMPORTING AND EXPORTING COUNTRIES.

+BUT THE FABRIC OF INTERNATIONAL TRADE DISCIPLINE HAS BEEN WEARING THIN,+ HE SAID.

+A PERIOD OF WIDESPREAD ECONOMIC SLOWDOWN AND INFLATION HAS, PERHAPS NOT SURPRISINGLY, BROUGHT CALLS FOR FURTHER PROTECTION FROM AN INDUSTRY NOW ACCUSTOMED TO IT AS A MATTER OF COURSE,+ SIR MURRAY SAID.

+GOVERNMENTS OF MAJOR ECONOMIC POWERS HAVE REACTED BY EXACTING FROM THEIR TRADING PARTNERS RESTRAINED AGREEMENTS WHICH HAVE AT TIMES PAID LITTLE MORE THAN LIP SERVICE TO THE ONCE RESPECTED RULES- AND SOON AFTERWARDS SOME HAVE SOUGHT BY VARIOUS DEVICES TO REDUCE STILL FURTHER THE EXPORT OPPORTUNITIES WHICH ARE PROVIDED FOR IN THE AGREEMENTS,+ HE SAID.

/SIR MURRAY.....

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SIR MURRAY CONTINUED: +THIS REGRESSIVE ATTITUDE HAS BEEN PRESENTED AS BEING JUSTIFIED BY THE DAMAGE ALLEGEDLY STILL BEING CAUSED BY SO-CALLED 'LOW COST' IMPORTS WHICH HAVE, TO A GREATER OR LESSER EXTENT, BEEN SUBJECT TO RESTRICTION FOR NEARLY TWO DECADES.

+THE FREQUENCY AND FERVOUR OF THESE ALLEGATIONS, HOWEVER, TEND TO OBSCURE THE FACT THAT THERE IS LITTLE EVIDENCE SUPPORTING THEM.

+THERE IS, ON THE OTHER HAND, INCREASING BUT LESS PUBLICISED EVIDENCE TO SUPPORT THE CONTENTION THAT THE DECLINING FORTUNES OF THESE INDUSTRIES ARE DUE MUCH MORE TO OTHER FACTORS, SUCH AS INTERNAL COMPETITION BETWEEN EFFICIENT AND LESS EFFICIENT PRODUCERS AND NEGLECT OF EXPORT MARKETS,+ SIR MURRAY SAID.

SIR MURRAY ALSO REFERRED TO A RECENT REPORT BY THE SECRETARY-GENERAL OF THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD) TO ILLUSTRATE THIS POINT.

ON HONG KONG'S CLOTHING INDUSTRY, SIR MURRAY SAID IT WAS THE LARGEST SECTOR OF THE LOCAL MANUFACTURING INDUSTRY BOTH IN TERMS OF EMPLOYMENT AND VALUE OF EXPORTS, HAVING SOME 10 000 ESTABLISHMENTS AND EMPLOYING SOME 276 000 WORKERS WHICH REPRESENTED 34 PER CENT OF HONG KONG'S TOTAL WORKFORCE IN THE MANUFACTURING INDUSTRY.

+DESPITE THE BARRIERS POSED BY INCREASING PROTECTIONISM FROM DEVELOPED IMPORTING COUNTRIES AND COMPETITION FROM NEIGHBOURING COUNTRIES, HONG KONG'S CLOTHING INDUSTRY HAS GROWN STEADILY SINCE THE 1950'S UNTIL IT IS NOW THE WORLD'S LARGEST EXPORTER,+ SIR MURRAY SAID.

THE VALUE OF DOMESTIC EXPORTS OF CLOTHING FOR THE FIRST SIX MONTHS OF THIS YEAR AMOUNTED TO OVER HK\$8 600 MILLION REPRESENTING ABOUT 37 PER CENT OF TOTAL DOMESTIC EXPORTS.

SIR MURRAY SAID BOTH THE GOVERNMENT AND INDUSTRIALISTS IN HONG KONG HAD SEEN THE NEED TO MAINTAIN THE COMPETITIVENESS OF THE LOCAL CLOTHING INDUSTRY BY PROMOTING INDUSTRIAL TRAINING.

+TO THIS END THE GOVERNMENT APPOINTED IN 1974 A CLOTHING INDUSTRY TRAINING BOARD, UNDER THE HONG KONG TRAINING COUNCIL, AS ITS PRINCIPAL ADVISER ON INDUSTRIAL TRAINING IN THE CLOTHING INDUSTRY.

+IN 1975 THE GOVERNMENT ESTABLISHED BY ORDINANCE THE CLOTHING TRAINING AUTHORITY, WHICH IS EMPOWERED TO PROVIDE COURSES FOR THE TRAINING OF WORKERS AT THE OPERATIVE LEVEL, AND TO COLLECT A LEVY ON ALL CLOTHING ITEMS EXPORTED FROM HONG KONG,+ SIR MURRAY SAID.

SIR MURRAY SAID THE LEVY HAD BEEN USED TO BUILD, EQUIP AND MAINTAIN A TRAINING CENTRE TO TRAIN CLOTHING OPERATIVES AND IT WAS FEEDING ANNUALLY ABOUT 4 000 WELL-TRAINED OPERATIVES INTO THE CLOTHING INDUSTRY.

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HK PUBLIC TRANSPORT SITUATION POISED
FOR MASSIVE TRANSFORMATION
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THE PUBLIC TRANSPORT SITUATION IN HONG KONG WILL UNDERGO A TREMENDOUS TRANSFORMATION WITHIN THE NEXT FEW YEARS -- TO AN EXTENT THAT CAN ONLY BE DESCRIBED AS A +QUANTUM JUMP+, THE SECRETARY FOR THE ENVIRONMENT, MR. DEREK JONES SAID TODAY (MONDAY).

+THE RESULTS OF OVER TEN YEARS OF PLANNING AND ENDEAVOUR WILL BEGIN TO COME TO FRUITION AND THEY WILL BE LITTLE SHORT OF REVOLUTIONARY,+ MR. JONES TOLD DELEGATES ATTENDING THE 36TH AUSTRALIAN ROAD TRANSPORT FEDERATION CONVENTION WHICH IS BEING HELD AT THE SHERATON HOTEL.

OUTLINING GOVERNMENT'S EFFORTS TO UPGRADE AND IMPROVE PUBLIC TRANSPORT, MR. JONES SAID THE MAIN INSTRUMENT WOULD BE THE MASS TRANSIT RAILWAY, THE FIRST STAGE OF WHICH WOULD BE OPEN ON OCTOBER 1.

+THE WHOLE OF THE FIRST LINE WILL BE OPEN BY FEBRUARY NEXT YEAR AND, WITHIN A YEAR OR TWO, WE HOPE THAT IT WILL BE MOVING UP TO A MILLION PASSENGERS A DAY,+ MR. JONES SAID.

+THE EXTENSION LINE IN WEST KOWLOON TO THE NEW TOWN OF TSUEN WAN SHOULD BE OPEN TOWARDS THE END OF 1982, BY WHICH TIME THE WHOLE SYSTEM SHOULD BE MOVING UP TO 1 800 000 PASSENGERS A DAY,+ HE ADDED.

IN ADDITION, MR. JONES SAID, THE PRIVATELY OWNED BUS COMPANIES HAVE AMBITIOUS PLANS TO EXPAND THEIR FLEETS AND IMPROVE THEIR SERVICES. DETAILED STUDIES ARE ALSO BEING UNDERTAKEN ON THE POSSIBILITY OF REPLACING THE EXISTING OLD FASHIONED TRAM SYSTEM WITH A NEW MODERN LIGHT RAIL SYSTEM WITH A SEGREGATED RIGHT OF WAY.

+IT WOULD LINK UP UNDERGROUND WITH THE MASS TRANSIT RAILWAY AND THUS, IN EFFECT, BECOMES AN EXTENSION OF THE M.T.R.,+ MR. JONES SAID.

THE KOWLOON-CANTON RAILWAY IS ALSO BEING MODERNISED AND ELECTRIFIED AS PART OF THE DEVELOPMENT PROGRAMME OF BUILDING UP THREE NEW TOWNS AND THREE OTHER TOWNSHIPS IN THE NEW TERRITORIES TO HELP SPREAD OUT THE OVERCROWDED URBAN POPULATION AND PROVIDE NEW INDUSTRIES AND AMENITIES, MR. JONES SAID.

+ALL THIS SHOULD PROVIDE HONG KONG WITH A MODERN PUBLIC TRANSPORT NETWORK IN KEEPING WITH ITS POSITION AS A GROWING MANUFACTURING, COMMERCIAL AND FINANCIAL CENTRE,+ HE ADDED.

/ON GOVERNMENT'S.....

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ON GOVERNMENT'S EFFORTS IN IMPROVING THE OVERALL TRANSPORT SITUATION IN HONG KONG, MR. JONES SAID AN IMPRESSIVE ROAD BUILDING PROGRAMME HAD BEEN BUILT UP AND STEPS WERE BEING TAKEN TO MAKE MORE ECONOMIC USE OF THE ROADS.

+STEADILY YEAR BY YEAR WE HAVE BEEN EXPANDING THE EXTENT AND THE QUALITY OF THE ROAD NETWORK AND THIS YEAR WE WILL BE SPENDING WELL OVER \$350 MILLION ON NEW ROADS,+ MR. JONES SAID.

+NOW WE ARE BEGINNING TO INTRODUCE AREA TRAFFIC CONTROL WHICH LINKS TRAFFIC SIGNALS TO A COMPUTER AND SETS SIGNAL PHASINGS ACCORDING TO THE FLOW OF TRAFFIC.+

+MODERN TRAFFIC SURVEILLANCE CONTROL SYSTEMS ARE ALSO BEING INTRODUCED ON OUR GROWING NETWORK OF HIGH-CAPACITY EXPRESS ROADS, TUNNELS, GRADE-SEPARATED INTERCHANGES, ELEVATED HIGHWAYS AND LIMITED ACCESS ROADS,+ HE SAID.

MR. JONES ALSO SAID THAT AS HONG KONG MOVED INTO THE 80'S IT MIGHT NOT BE ABLE TO GO ON ACCEPTING AN AVERAGE OF 11 PER CENT PER ANNUM INCREASE IN PRIVATE CAR OWNERSHIP- AND STEPS MIGHT HAVE TO BE TAKEN TO RESTRAIN THE DEMAND IF UNACCEPTABLE ROAD CONGESTION WAS TO BE AVOIDED.

+AND THE PROBLEMS OF HOW TO COPE WITH THE EVER GROWING NUMBERS OF LORRIES AND GOODS VEHICLES WILL ALSO HAVE TO BE CONFRONTED,+ HE ADDED.

MR. JONES SAID THE JEREMIADS WHO ACCUSED THE GOVERNMENT OF HAVING NO TRANSPORT POLICY, OR OF NOT HAVING A RATIONAL POLICY, WERE WRONG.

+THE ROOT CAUSE OF THE PRESENT DISSATISFACTION, AS I SEE IT, IS THAT, BECAUSE OF THE TIME TAKEN TO BUILD NEW FACILITIES AND THE DISRUPTION CAUSED BY THE CONSTRUCTION, THINGS HAVE TO GET WORSE BEFORE THEY CAN GET BETTER,+ HE EXPLAINED.

EXAMPLES OF SUCH PROJECTS INCLUDE THE CONSTRUCTION OF THE M.T.R., THE BUILDING OF THE ELEVATED ROAD IN HAPPY VALLEY FROM THE ABERDEEN TUNNEL AND THE EAST KOWLOON WAY NEAR THE AIRPORT TUNNEL, MR. JONES SAID.

+YET ALL THESE ARE IMMENSE PROJECTS WHICH, WHEN THEY ARE OPEN, WILL BRING ABOUT MAJOR IMPROVEMENTS IN TRAFFIC FLOW,+ MR. JONES ADDED.

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CHEATING THE QUOTA SYSTEM -- A GAME NO ONE WINS
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THE DIRECTOR OF TRADE, INDUSTRY AND CUSTOMS, MR. DAVID JORDAN, SAID TODAY (MONDAY) COMPANIES WHICH HAVE TRIED TO EVADE TEXTILE QUOTA RESTRICTIONS WOULD HAVE THEIR QUOTAS TAKEN AWAY FROM THEM PERMANENTLY.

+WHEN PEOPLE REALISE THAT THE PRICE THEY WILL HAVE TO PAY FOR THE CRIMES THEY HAVE COMMITTED, IS GREATER THAN THE BENEFIT THAT THEY CAN OBTAIN, WE SHALL PUT AN EFFECTIVE STOP TO IT,+ HE TOLD MEMBERS OF THE HONG KONG COTTON SPINNERS ASSOCIATION DURING A LUNCHEON MEETING.

HE POINTED OUT THAT THE CURRENT PROSECUTIONS MOUNTED BY HIS DEPARTMENT AGAINST QUOTA-DODGERS WAS ONLY THE FIRST PHASE OF ACTION.

MR. JORDAN SAID HE COULD NOT STRESS TOO STRONGLY THE GOVERNMENT'S CONCERN AT SUCH MALPRACTICE.

+THE FACT THAT OUR TEXTILE INDUSTRY HAS BEEN ABLE TO GROW OVER THE YEARS OWES, I THINK, IN PART TO OUR ABILITY TO NEGOTIATE AND IN PART TO AN EFFECTIVE QUOTA CONTROL SYSTEM THAT HAS BEEN HELD IN HIGH ESTEEM BY OUR TRADING PARTNERS.

+ANY CHEATING IN AN ATTEMPT TO CIRCUMVENT THE QUOTA SYSTEM WILL CAST DOUBT ON HONG KONG'S ABILITY TO HONOUR ITS OBLIGATIONS, UNDERMINE OUR ABILITY TO NEGOTIATE AND OBTAIN THE BEST POSSIBLE TERMS FOR HONG KONG, AND COULD LEAD TO IMPORT CONTROLS.

+IT IS THEREFORE OUR INTENTION TO DO EVERYTHING WITHIN OUR POWER TO STAMP OUT SUCH MALPRACTICES, TO PENALISE THOSE COMPANIES INVOLVED AS HEAVILY AS POSSIBLE, TO PRESERVE THE INTEGRITY OF OUR QUOTA SYSTEM, AND IN THE END PROTECT THE INTERESTS OF THE LAW-ABIDING EXPORTERS AND MANUFACTURERS,+ CONCLUDED MR. JORDAN.

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SPECIAL STAMPS TO MARK M.T.R. INAUGURATION
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THE POST OFFICE WILL ISSUE THREE SPECIAL STAMPS TO MARK THE INAUGURATION OF THE FIRST STAGE OF THE MASS TRANSIT RAILWAY (M.T.R.) ON OCTOBER 1 THIS YEAR.

THE STAMPS OF 20 CENTS, \$1.30 AND \$2 DENOMINATIONS WILL BE ON SALE AT ALL POST OFFICES FROM THAT DAY.

SPECIAL FIRST DAY COVERS FOR THE NEW STAMPS WILL BE AVAILABLE AT 20 CENTS EACH FROM WEDNESDAY (SEPTEMBER 19). EACH COVER WILL CONTAIN AN INSERT CARD WITH DESCRIPTION OF THE M.T.R. SYSTEM AND BRIEF PHILATELIC INFORMATION.

/A SPOKESMAN.....

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A SPOKESMAN FOR THE POST OFFICE TODAY (MONDAY) URGED MEMBERS OF THE PUBLIC TO OBTAIN THEIR REQUIREMENTS EARLY TO AVOID DISAPPOINTMENT.

HE SAID ADVANCE ORDERS FOR SERVICING OF FIRST DAY COVERS WOULD BE ACCEPTED AT THE THREE MAIN OFFICES - THE GENERAL POST OFFICE, CONNAUGHT PLACE- KOWLOON CENTRAL POST OFFICE, NATHAN ROAD AND TSIM SHA TSUI POST OFFICE, PEKING ROAD WHERE ORDER FORMS WOULD BE AVAILABLE ON SEPTEMBER 19.

FOR THIS SERVICE, HE ADDED, ADDRESSED FIRST DAY COVERS MUST BE HANDED IN WITH AN ORDER FORM TOGETHER WITH A REMITTANCE TO COVER THE COST.

THE CHARGE WILL BE \$3.80 PER COVER WHICH INCLUDES THE COST OF THE THREE STAMPS AND A SERVICE FEE OF 30 CENTS.

THE COVERS MUST BE FULLY ADDRESSED BY THE APPLICANT AND NOT LESS THAN 10 COVERS WILL BE ACCEPTED WITH EACH ORDER.

THE SPOKESMAN SAID ANY PERSON ORDERING SERVICED COVERS ADDRESSED TO A LOCAL DESTINATION MAY COLLECT THEM ON OCTOBER 2 FROM THE OFFICE WHERE THE ORDER WAS PLACED.

COVERS ADDRESSED OVERSEAS WILL BE FORWARDED BY ORDINARY POST, SURFACE MAIL, UNLESS SUFFICIENT STAMPS ARE AFFIXED TO COVER AIRMAIL OR REGISTRATION CHARGES.

THE LATEST ACCEPTANCE DATE FOR ADVANCE ORDERS OF SERVICED COVERS WILL BE 5 P.M. ON SEPTEMBER 25.

IN ADDITION, A SERVICE WILL BE PROVIDED ON OCTOBER 1 AT ALL POST OFFICES WHERE FIRST DAY COVERS WILL BE ACCEPTED OVER THE COUNTER, IMPRESSED WITH THE NORMAL POST OFFICE DATE STAMP AND HANDED BACK TO THE PERSON PRESENTING THEM. NO TIME TYPE WILL APPEAR IN THE POSTMARK.

THE SPOKESMAN POINTED OUT THAT THIS SERVICE IS ONLY FOR UNREGISTERED ARTICLES WITH A LOCAL ADDRESS, MARKED +FIRST DAY COVER+ AND NOT BEARING ANY CANCELLATION.

SPECIAL POSTING BOXES WILL ALSO BE AVAILABLE AT THE GENERAL POST OFFICE, KOWLOON CENTRAL POST OFFICE AND TSIM SHA TSUI POST OFFICE ON OCTOBER 1 FOR THOSE WHO WISH TO HAVE FIRST DAY COVERS CAREFULLY HAND-POSTMARKED BEFORE DESPATCH TO THE ADDRESS ON THE COVERS.

THE NEW STAMPS WILL BE PUT ON DISPLAY AT THE PUBLIC COUNTER ON THE FIRST FLOOR OF THE GENERAL POST OFFICE BUILDING FROM 9.20 A.M. TO 4.30 P.M. ON SEPTEMBER 24.

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REVIEW OF OVERSEAS TRADE
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THE HONG KONG REVIEW OF OVERSEAS TRADE IN 1978 WHICH GIVES A DETAILED ANALYSIS OF THE EXTERNAL TRADE PERFORMANCE OF HONG KONG IS ON SALE TODAY (MONDAY).

THE REVIEW CONTAINS A BRIEF TEXT, 11 GRAPHS AND 30 APPENDICES WITH COMPARATIVE TRADE STATISTICS FOR PREVIOUS YEARS.

A SPOKESMAN FOR THE CENSUS AND STATISTICS DEPARTMENT SAID: +THE REVIEW PRESENTS A BRIEF ACCOUNT OF THE SIGNIFICANT CHANGES IN THE DIRECTION AND COMPOSITION OF HONG KONG'S OVERSEAS TRADE IN 1978, INCLUDING A COMPREHENSIVE ANALYSIS OF TRADE BY MAJOR TRADING PARTNERS AND BY COMMODITY CATEGORIES.+

IT ALSO ILLUSTRATES THE MOVEMENTS OF COMMODITY PRICES AND THE REAL GROWTH OF EXTERNAL TRADE BY MEANS OF TRADE INDEXES.

A COMPARISON OF HONG KONG'S EXPORT PERFORMANCE IN MAJOR OVERSEAS MARKETS WITH THAT OF ITS MAIN COMPETITORS IS ALSO INCLUDED IN THE PUBLICATION.

THE REVIEW IS AVAILABLE AT \$30 PER COPY FROM THE GOVERNMENT PUBLICATIONS CENTRE, GROUND FLOOR, GENERAL POST OFFICE BUILDING, HONG KONG.

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TUEN MUN INDUSTRIAL SITE FOR AUCTION
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ANOTHER PRIME SITE IN TUEN MUN NEW TOWN WILL BE SOLD IN A PUBLIC AUCTION AT ST. SIMON LUI MING CHOI SECONDARY SCHOOL IN TUEN MUN AT 2.30 P.M. TOMORROW (TUESDAY).

EARMARKED FOR INDUSTRIAL OR GODOWN USE, THE 3 058 SQUARE METRE SITE IS CONVENIENTLY LOCATED IN THE NEW TOWN'S INDUSTRIAL AREA BOUNDED BY SHEK PAI TAU ROAD, MING KUM ROAD AND PUI TO ROAD.

IN ADDITION TO A PLOT RATIO OF 9.5 WHICH ALLOWS FOR MULTI-STOREY DEVELOPMENT, THE SITE CARRIES A BUILDING COVENANT OF \$4 840 000 OVER 36 MONTHS AND SPECIAL REQUIREMENTS ON ENVIRONMENTAL CONTROL INCLUDING THE DISCHARGE OF TRADE EFFLUENT.

THE AUCTION WILL BE CONDUCTED BY THE SENIOR ESTATE SURVEYOR OF THE TUEN MUN DISTRICT OFFICE, MR. VICTOR LEUNG.

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TWO P.W.D. OFFICERS RETIRE
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TWO PUBLIC WORKS DEPARTMENT OFFICERS, WHO GAVE MORE THAN 70 YEARS OF THEIR DEDICATED SERVICE TO THE GOVERNMENT WAS RECOGNISED IN A RETIREMENT CEREMONY TODAY (MONDAY).

THEY ARE MR. CHENG TO AND MR. WONG KIN-FAT WHO HAVE BOTH CLOCKED UP MORE THAN 30 YEARS EACH WITH THE HONG KONG GOVERNMENT.

MR. CHENG, A SUPPLIES OFFICER, HAS BEEN WITH THE GOVERNMENT MORE THAN 39 YEARS, AND MR. WONG OVER 31 YEARS.

MR. S. RODIN, THE P.W.D.'S GEOTECHNICAL ADVISER PRESENTED THEM WITH RETIREMENT GIFTS ON BEHALF OF HIS COLLEAGUES.

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STAFF OF FIFTH TECHNICAL INSTITUTE MOVE IN
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STAFF OF THE LEE WAI LEE TECHNICAL INSTITUTE TODAY (MONDAY) MOVED INTO THEIR NEW OFFICES AT THE RECENTLY COMPLETED PREMISES AT RENFREW ROAD, KOWLOON TONG.

THE TELEPHONE NUMBER FOR GENERAL ENQUIRIES IS 3-383611.

THE LEE WAI LEE TECHNICAL INSTITUTE IS THE FIFTH TECHNICAL INSTITUTE OPERATED BY THE EDUCATION DEPARTMENT.

FULL-TIME DAY COURSES RUN BY THE TECHNICAL INSTITUTE WILL BEGIN ON OCTOBER 1, WHILE SOME EVENING COURSES WILL COMMENCE TODAY.

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DAILY INFORMATION BULLETIN

SUPPLEMENT

SPEECH BY H E THE GOVERNOR AT THE INTERNATIONAL CONFERENCE
OF THE CLOTHING AND FOOTWEAR INSTITUTE
ON MONDAY, 17 SEPTEMBER, 1979

I am delighted to be here today to officiate at the opening of the International Conference of the Clothing and Footwear Institute.

The clothing industry is the largest sector of Hong Kong's manufacturing industry both in terms of employment and value of exports, having some 10 000 establishments and employing some 276 000 workers which represents 34 per cent of Hong Kong's total workforce in the manufacturing industry. Despite the barriers posed by increasing protectionism from developed importing countries and competition from neighbouring countries, Hong Kong's clothing industry has grown steadily since the 1950s until it is now the world's largest exporter. The value of domestic exports of clothing for the first six months of this year amounted to over HK\$8 600 million representing about 37 per cent of total domestic exports. These figures speak for themselves.

Both the Government and industrialists in Hong Kong have seen the need to maintain the competitiveness of the local clothing industry by promoting industrial training. To this end the Government appointed in 1974 a Clothing Industry Training Board, under the Hong Kong Training Council, as its principal adviser on industrial training in the clothing industry. This training board is required to advise on the training of manpower at all levels. The Board prescribes job standards and training programmes, conducts manpower surveys, assesses manpower needs and makes recommendations on how those needs can best be met. It also advises the technical education institutions on the curricula for the training of

/technologists,.....

technologists, technicians and craftsmen for the industry. At present, both the Hong Kong Polytechnic and two technical institutes are offering courses related to garment manufacture. Some of these courses qualify the students to sit for professional examinations conducted by the clothing institute.

In 1975 the Government established by Ordinance the Clothing Industry Training Authority, which is empowered to provide courses for the training of workers at the operative level, and to collect a levy on all clothing items exported from Hong Kong. This levy has been used to build, equip and maintain a training centre to train clothing operatives. The centre provides short training courses in sewing, knitting, linking, pressing, cutting and pattern making, and feeds annually about 4 000 well-trained operatives into the clothing industry. The training provided to the trainee is free and they receive an allowance of HK\$50 per week. The centre also operates short up-dating courses for in-service supervisors, quality control inspectors and pressing operatives.

Although yours is a professional and technical body whose main concerns are with education and training, I hope you will allow me to take this opportunity to voice some views on other matters already affecting the clothing industry; and which have implications well beyond it.

In recent years the shadow of protectionism has lengthened over world trade. For almost twenty years the textile products sector of world trade has been governed by more elaborate and restrictive rules, now known as the Multi-Fibre Arrangement. The various justifications for the uncommon degree of protection these have accorded industries in the developed countries has undergone some mutation with the passage of the years. Its effects, however, have been consistent in one regard. With the exception of Japan, and that now to a diminishing degree, all the suppliers whose trade has been restricted have been part of the developing world.

These special rules specifically state their intention to be the expansion of trade and progressive liberalisation, while at the same time ensuring orderly development and avoiding disruptive effects in both importing and exporting countries.

/But the.....

But the fabric of international trade discipline has been wearing thin. A period of widespread economic slowdown and inflation has, perhaps not surprisingly, brought calls for further protection from an industry now accustomed to it as a matter of course. Governments of major economic powers have reacted by exacting from their trading partners restraint agreements which have at times paid little more than lip service to the once respected rules; and soon afterwards some have sought by various devices to reduce still further the export opportunities which are provided for in these agreements.

This regressive attitude has been presented as being justified by the damage allegedly still being caused by so-called 'low cost' imports which have, to a greater or lesser extent, been subject to restriction for nearly two decades. The frequency and fervour of these allegations, however, tend to obscure the fact that there is very little evidence supporting them.

There is, on the other hand, increasing but less publicised evidence to support the contention that the declining fortunes of these industries are due much more to other factors, such as internal competition between efficient and less efficient producers and neglect of export markets. Particularly noteworthy is a recent report by the Secretary-General of the O.E.C.D. in which he states: 'Changes in comparative advantage, and notably the emergence of the newly industrialised countries as successful exporters of manufacture, have not been the only or even the main factor behind the financial and employment difficulties of declining industries. Technological change, shifts in the pattern of domestic demand and in relative prices and costs have together played a much more important role.'

It is a point worth stressing too, that the greater the restrictions on import opportunities for efficient developing country producers the greater the pressure on them to move up market. And this way not only do they increase their earnings from a limited volume of trade but also they must tend to compete more directly with the higher end of the market traditionally served by domestic producers.

/The voice.....

The voice of consumer interests - and at the end of the day it is they who have to pay - is increasingly being heard in protest at the cost of protectionism. Objective studies by impartial official and academic bodies - all of them, I might add, in developed countries are beginning to proliferate, underlining the arguments I have just sketched. This is timely. We are approaching another critical period in the evolution of this situation and if clear sightedness and enlightened long term self-interest on the part of major powers do not prevail, the consequent damage may not be confined to the few so-called low cost suppliers of textile product.

I close these remarks by quoting part of a recent editorial on the subject in the Financial Times.

'Adjustment is not impossible. West Germany is now a successful textile exporting country. The Germans have moved heavily into the top-quality, high-fashion end of the market leaving lower-cost countries free to exploit the cheaper ranges. The country's traditional free-trading mentality has helped it to face the unavoidable consequences of world-wide developments more quickly than others. When trade grows fast, it is often the same sort of products that account for rapid increases in both imports and exports. Protectionism can delay the adjustment process, at the risk of considerable economic cost. But the delay is liable to make the final, inevitable adjustment that much more painful.'

Mr. President, I now declare the 1979 International Conference open.