

It is after all the case that virtually all of Canada's present population is derived from peoples of other lands and continents.

With such a background, it is not surprising to learn that Canada has maintained a more open door than most other countries to immigrants who have continued to provide Canada with new infusions of character, investment, ideas and culture.

To the visitor, Canada is a Kaleidoscope of colour, nature and custom, a never ending natural Disneyland in which the Canadian people are friendly, responsive and of course proud of their country and developing heritage.

During my eight years with the Chamber, I have had very wide connections with Canadian business. Again I have been surprised to see, especially in recent years, the extent of Canadian business contact and promotion in Hong Kong, much of it conducted through the services of the Canadian Commission and the offices here run by the Provincial Governments.

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The Chamber itself, as Hong Kong's largest trade association, deals with many trade and other enquiries from Canadian companies. Our computer delivers the information that we have on record 235 member companies and 342 non-member companies, a total of 577 Hong Kong companies which have obtained Chamber certification for exports to Canada during the last two years. Most of them export to Canada regularly.

It is to Canada's credit that, other than textiles, no other Hong Kong products are presently restricted on entry into Canada despite strong lobbying by Canadian industries for some degree of temporary protection during the most serious recession since the late 1920's.

Hong Kong traders must be grateful that this is so since we have little real leverage to seek strict application of GATT principles to our international market access rights. I believe it is also true to say that, even in the case of textiles, Canada absorbs a higher proportion of imports to consumption than any other developed country.

Canada is clearly becoming more aware of the trading opportunities in and through Hong Kong and is doing a good deal about it. I can confirm that the General Chamber will always do what it can to promote two-way trade and investment. ■

*J.D. McGregor is the Director of The Hong Kong General Chamber of Commerce*

# Trade Gap Slowly Closing as Canadians Increase Exports

**By Hamish Macleod**

**H**ong Kong depends so heavily on trade — for example, about 90% of our manufactured products are exported, and we rank 18th among world trading nations — and on an open market, anti-protectionist stance that thinking in bilateral terms of the trade relations between Hong Kong and Canada does not come naturally to us.

To put it crudely, we buy from whatever country offers the best value for money, and sell to whoever offers the best price, and the resulting balance of trade with particular countries is of no great interest to us.

Since our market is open to competition without artificial tariffs or quota barriers, our main concern is to obtain as far as possible similar treatment by other countries. This is particularly fair because we are one of the few territories in the world that does not subsidise domestic industries or exports.

If a particular industry is declining because of competition or other market forces, it is allowed to decline unhindered: we cannot afford to reduce our competitiveness by subsidising industries, however indirectly.

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Although Canada does impose restraints on trade, the most important from our point of view being very restrictive textile and garment quotas, it is also probably true to say that Canada is one of the developed countries which in international discussions has shown itself to be most sympathetic to freer trade, and has generally played an important and positive role in world trade affairs.

Thus while the contrast between Hong Kong and Canada could not be more extreme — with Canada a vast but thinly populated land richly endowed with natural resources, while Hong Kong is a small, overcrowded territory with no natural resources — we share a heavy dependence on earnings from overseas trade and services, and a common belief

that barriers to trade must be reduced if we are to continue to prosper.

Nor are our mutual interests and ties confined to trade and business. Canada has a generous and liberal record of accepting permanently a considerable number of Vietnamese refugees who made their initial landing in Hong Kong, and accepting temporarily many thousands of Hong Kong students.

## Strong Services

So far as trade is concerned, while the balance of trade is in Hong Kong's favour — we exported HK\$2.6 billion to Canada in 1982 as against imports of HK\$1.1 billion — Canada has been achieving very substantial increases in exports, including a 25% increase in 1982.

Indeed, when one considers the fact that Canadian exports to Hong Kong have increased almost ten-fold in 10 years — from C\$27 million in 1973 to C\$242 million in 1982 — the importance and potential of the Hong Kong market for Canada is apparent.

Canada is also traditionally strong in the services sector, and Canadian banks and corporations are well represented here — perhaps part of the reason why there is a substantial flow of investment from Hong Kong into Canada, as well as in the other direction.

As regards the future of Hong Kong, the outstanding feature of the 1983 trade statistics to date is that they have demonstrated our ability to keep on increasing exports and imports despite political uncertainty.

In the first 8 months of 1983, domestic exports have increased by 18%, and imports by 15%, compared with the same period in 1982.

We also continue to be an increasingly important centre for trade with China; overall, re-exports now constitute 1/3 of total exports by value, compared with only 1/4 five years ago. And about 1/2 of all re-exports represent trade to and from China.

Thus Hong Kong is a dynamic and flexible trading territory, and we welcome the increasing importance of HK/Canada trade indicated by present trends. ■

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