

Effects of Industrial Growth on Hong Kong Trade

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Industrial growth with its increasing demand for capital equipment and raw materials and consequent diversification of products is bound to affect the trade-pattern of an economy. The extent of such effects depends on a host of conditions, the more important of which include 1) the size, geographical location, and resource endowments of the economy, 2) the relative importance of external trade, 3) the level of economic development, 4) the motivation and model of industrial development, and 5) the institutional framework. These factors operate, in the case of Hong Kong's industrial growth, to generate greater effects on external trade.

Hong Kong, with a total land area of less than 400 square miles, is endowed with negligible natural resources for industrial purposes, while economic development remains at a stage of almost complete reliance on imported capital equipment. On the other hand, it is favoured by a sheltered deepwater harbour and a geographical location at the south gate of Mainland China with easy accessibility to all parts of the Far East. Consequently, entrepot trade flourished and predominated in the Hong Kong economy prior to the rapid industrial growth in the 1950's. The development of this trade and the necessary facilities (such as banking, insurance, shipping, shiprepairing and warehousing services) has been, to a large extent, responsible for the entrepreneurs' global outlook and the export-oriented industrial development. Such a course is facilitated by government policy under which trade, industry and foreign exchange are subject to minimal controls, and duties are levied only on a very few commodities for revenue purposes.

This paper analyses how industrial growth affected the pattern of Hong Kong trade between the years 1953 and 1960. More specifically, it examines 1) the effect of growing demand on the behaviour of capital equipment and raw-material imports, 2) changes in the pattern of retained imports, 3) growth of domestic manufacture exports, 4) shifts in the relative importance of export markets, and 5) the effect of growth on the balance of trade.

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Our selection of 1953 as the point of departure may call for an explanation. While 1953 marked the beginning of a completely revised system for classifying and coding Hong Kong trade returns in compliance with the U. N. Standard Trade Classification, our selection of this year as the starting point tends to avoid the undue influences of the Korean War. This selection, on the other hand, covers a period of sustained industrial growth in Hong Kong.

SECTION I: COMMENTS ON DATA

In our attempt to show growth effects on external trade, we have come up against serious difficulties with Hong Kong trade statistics. Prior to 1959, no clear distinction was made in trade returns between exports of Hong Kong origin and re-exports. It is, therefore, necessary for us to identify the origin and reclassify the 1953 export figures accordingly. This reclassification is not completely satisfactory in that the origin of some export items or categories is indeterminable. We are, thus, forced to assume that those export items or categories, which cannot be ascertained to have originated in Hong Kong, are imported. Consequently, the 1953 re-export figures, thus obtained, carry a distinct upward bias for which no adjustment is feasible.

This bias is further enhanced by the inclusion of entrepot traders' gross profits in re-export figures. Such inclusion, however, is not confined to our re-export estimates for 1953. It applies equally to 1959 and 1960 re-exports. The separation of re-exports from exports of Hong Kong origin effected in 1959 has not changed the pricing practice. As long as the re-exports are given in export prices, they include the profit margins of entrepot traders, and should theoretically be adjusted for use in deriving the retained imports.

In calculating the import-export price differentials, however, we are confronted with insurmountable difficulties, and have decided to forego any adjustment of re-export figures to eliminate the entrepot trading margins for the following reasons. *First*, the incomplete quantum trade statistics set a narrow limit to data coverage for computing import-export price differentials. In the 1953 trade returns, for instance, out of a total of 44 import items of capital goods, only three are given in both value and physical quantity, and only two are usable. The coverage of the latter in value terms amounts to a little over one per cent of the imports of capital goods as a whole. *Second*, many heterogeneous items whose units are given in numbers show ridiculous import-export price differentials. For example, the 1953 unit value of the item "ships and boats" is calculated to be more than twelve times that of its imports. Finally, as pointed out above, the entrepot trading margins are included in the re-export data of the earlier as well as the later years. Their inclusion is, thus, unlikely to have any pronounced effects from the viewpoint of growth.

As the upward bias arising from the inability to determine completely the origins of trade remains with our re-export estimates, their use in deriving the retained imports for 1953 injects a downward bias into the latter. This should be borne in mind when we compare the 1953 retained imports with those for 1959 and 1960.

An additional difficulty stems from the unavailability of statistics on entrepot trade inventory. This lack of information forces us to assume that when the exports of certain commodities were greater than their imports within the same calendar year, the excess export came from the stock. Hence, negative retained imports have been ignored in aggregation. However, this practice does not prevent any slipping through of re-exports from stock as long as the current re-exports of the items concerned are less than their imports. This factor, too, tends to carry a downward bias into the retained import estimates. Inasmuch as the stock complication affects not merely 1953 data but 1959 and 1960 data as well, its effects can be ignored for our purpose, the assumption being that its effects remained the same for these years.

Details concerning the classification and computation of the quantitative data used in this study are given in Appendix I.

SECTION II: INDUSTRIAL GROWTH

While it is beyond the scope of this paper to analyse the industrial growth of Hong Kong, we must establish this growth before we can proceed to examine its effects on external trade. We propose to show it by the increase in industrial employment. This choice is thrust upon us by the paucity of statistics on industrial production. No aggregate industrial output series exists; obtainable output data are confined to textiles, iron ore, cement and electricity.

Table 1 presents Hong Kong's overall industrial employment data for the period 1953-1960, together with the annual rate of increase. During this period, the industrial growth of Hong Kong can be judged by the continued expansion of the labour force. Although the employment data shown in Table 1 exclude the "out-worker" and those in cottage industries, such data can nevertheless serve as a general index of Hong Kong's industrial growth. Seen in this light, the industrial sector grew steadily from 1953 to 1960. In fact, the annual average rate of growth in industrial employment came to 12.4 per cent. Furthermore, an accelerated growth is discernible in spite of the considerable drop in the rate of increase during 1957. The relative importance of different industries is shown in Table 2, which gives the percentage distribution of industrial employment in 1960.

SECTION III: GROWTH DEMAND FOR IMPORTS

Growth demand ¹ affected both the pattern and the volume of Hong Kong's retained imports during the period of our investigation. We shall look first into the changes in import-patterns between 1953 and 1960, and then proceed to examine the changes in the magnitude of retained imports from 1953 to 1959, particularly in the categories of raw materials and capital goods. The exclusion of 1960 here is due to the lack of unit value index for the imports of that year.

TABLE 1
INDUSTRIAL EMPLOYMENT IN HONG KONG, 1953-1960

Year ^a	Number of wage-earners ^b (in 000's) (1)	Rate of growth ^c (per cent) (2)
1953	100.9	..
1954	106.3	5.3
1955	118.6	11.6
1956	138.8	17.1
1957	148.0	6.6
1958	168.1	13.6
1959	189.1	12.5
1960	229.0	21.1
1953-60: Annual average		12.4

Sources: i) Annual Departmental Reports for 1953/54 (p. 94) and 1959/60 (p. 88) of the Commissioner of Labour, Hong Kong Government.
ii) Annual Departmental Reports for 1955/56 (p. 84) and 1957/58 (p. 86) of the Commissioner of Labour and the Commissioner of Mines, Hong Kong Government.

a. As of the 31st of March in each year.

b. Including only employment in factories and industrial undertakings registered or recorded with the Labour Department for inspection purposes.

c. Computed from given data before rounding.

¹. The term "growth demand," unless otherwise specified, is used in this paper to refer to the demand connected with industrial growth.

TABLE 2

DISTRIBUTION OF EMPLOYMENT BY INDUSTRY, 1960*

Industry ^a	Distribution (per cent)
Textiles	26.3
Textile products	20.3
Metal products	12.0
Plastic products	7.9
Transport equipment	6.0
Paper and paper products	4.3
Foods and beverages	3.7
Footwear	3.6
Non-electrical machinery	2.0
Basic metals	2.0
Electrical products	1.7
Chemicals and chemical products	1.4
Furniture and household fixtures	1.3
Wood and cork manufactures	1.2
Non-metallic mineral products	1.0
Tobacco	0.5
Leather and leather products	0.5
Others	4.3
TOTAL	100.0

Sources : Derived from data given in Table 1; and, Government of Hong Kong, *Directory of Commerce, Industry, Finance*, (Hong Kong: Government of Hong Kong), pp. 73-74. (published annually).

* Including only employment in factories and industrial undertakings registered or recorded with the Labour Department for inspection purposes.

a. Listed in a descending order of importance.

Effects on Import-Pattern

To show how growth demand has affected the pattern of imports, we need to estimate the retained imports for 1953 and 1960. These estimates are given in Table A of Appendix II, and the methods of their derivation in the *Explanatory Notes* in Appendix I. Table 3 presents their distribution by end-use. The 1959 estimates have been made primarily to reveal changes in the volume of retained imports, which will be taken up later.

During 1953-1960, while the relative importance of the food and fuel groups declined, that of raw material,² capital goods and consumer goods increased. The enhanced shares of raw materials and capital goods in the overall retained imports can readily be attributed to growth demand. The rise in the relative importance of consumer goods can be related to industrial growth only indirectly. With additional income generated by industrial growth, a high marginal propensity to spend on consumption of importables would lead to a more than proportionate increase in imports.³ If the output

TABLE 3
ESTIMATED DISTRIBUTION OF RETAINED IMPORTS BY END-USE
1953, 1959 AND 1960

Category	(per cent)		
	1953	1959	1960
Raw materials*	38.5	42.2	43.5
Capital goods	4.7	6.8	8.3
Consumer goods	12.0	17.6	18.0
Fuel	6.7	5.3	4.4
Food	38.1	28.1	25.8

Source : Computed from data given in Table A, Appendix II.

* Including partially processed materials.

elasticity of demand for imported consumer goods⁴ is greater than unity, the rate of increase in retained consumer-goods imports is necessarily higher than the rate of industrial growth. To illustrate this point, let us look at the retained imports of cosmetics and radio receiving sets.

² The term "raw materials" is used in this study to include partially processed materials.

³ The marginal propensity to spend on consumption of importables can be written $\frac{d(pC_m)}{dY_i}$, where Y_i is industrial output; C_m , consumption of importables; and p , price of importables.

⁴ The output elasticity of demand for imported consumer goods can be written as $\frac{Y_i}{pC_m} \times \frac{d(pC_m)}{dY_i}$. For the identity of these symbols, see, note 3 *supra*.

Between 1953 and 1959, the former increased 90 per cent and the latter 165 per cent, as against an 87-per-cent rise in industrial employment.⁵

As can be seen from Table 3, the increase in the relative importance of raw materials lagged behind that of capital goods. This lag can be attributed essentially to a rising capital-labour ratio in industry and an increasing substitution of domestic for imported raw materials. Thus, the demand for equipment imports arising from the increase in capital-intensity in the process of industrial development should be added to the growth demand for the imports of capital goods at a given capital-intensity. Concomitantly, with an increase in capital-intensity the possibility of changes in production function toward greater economy in raw materials input should, by no means, be ruled out.

Secondly, industrial growth in Hong Kong has resulted in an import-substitution, notably in semiprocessed materials. The increase in the domestic supply of cotton yarn is a case in point. Output of cotton yarn in Hong Kong was 71.4 million pounds in 1953 and 173.2 million pounds in 1960,⁶ yielding an increase of 140.5 per cent over the 8-year period. Exports of cotton yarn produced in Hong Kong, on the other hand, increased merely 7.0 per cent over the same period, i.e., from 31.3 million pounds in 1953 to 33.5 million pounds in 1960.⁷ Thus, the amount for domestic use came to 40.1 million pounds in 1953 and 139.7 million pounds in 1960. The extent of the substitution effect on imports of cotton yarn in 1960 can roughly be gauged by the 99.6 million pounds of additional supply from domestic production.

⁵ Retained imports of "domestic radio receivers" are estimated to be HK\$870,540 in 1953 and \$2,254,366 in 1959. After conversion to 1958 prices on the basis of the import unit value index, the 1953 figure becomes \$883,797 and the 1959 figure, \$2,342,198. Retained imports of cosmetics in 1953 and 1959 are estimated to be respectively \$13.91 million and \$26.38 million at 1958 prices. For the basic data used in these estimates, see, Department of Commerce and Industry, Government of Hong Kong, *Hong Kong Trade Returns: Imports*, (Hong Kong: Government of Hong Kong, December 1953), pp. 88-91, 180; Department of Commerce and Industry, Government of Hong Kong, *Hong Kong Trade Statistics: Imports*, (Hong Kong: Government of Hong Kong, December 1959), pp. 51-53, 112; Department of Commerce and Industry, Government of Hong Kong, *Hong Kong Trade Returns: Exports*, (Hong Kong: Government of Hong Kong, December 1953), pp. 121-124, 236; Department of Commerce and Industry, Government of Hong Kong, *Hong Kong Trade Statistics: Exports and Re-exports*, (Hong Kong: Government of Hong Kong, December 1959), pp. 265-267, 336; C. S. Hui, "An import Index for Hong Kong," *Far Eastern Economic Review*, June 30, 1960, pp. 1320-1321. For data on industrial employment, see, Table 1 *supra*.

⁶ United Nations, ECAFE, *Economic Survey of Asia and the Far East*, 1959, (Bangkok: Economic Commission for Asia and the Far East, 1960), p. 121; *Quarterly Bulletin of International Cotton Advisors Committee*, June 1961, p. 34.

⁷ *Hong Kong Trade Returns: Exports*, December 1953, *op. cit.*, pp. 147-151; *Hong Kong Trade Statistics: Exports and Re-exports*, December 1960, *op. cit.*, pp. 50-51.

Effects on Import Quantity

To illustrate the effects of growth demand on import quantity, we are handicapped by the lack of a quantity index series for retained imports. Fortunately, a unit value index series for imports is available;⁸ its arrangement in accordance with the listing system given in the *Hong Kong Imports and Exports Classification List and Guide*⁹ enables us to use the division (2-digit coding) unit value index numbers for converting our retained import value estimates to the basis of 1958 import prices. In this way, we can expect to approximate changes in import quantity over the period of our investigation. However, since the unit value index series ends in 1959, we need to shorten in this connection the period of our investigation by one year, and, at the same time, make additional estimates for the 1959 retained imports. Our estimates of overall retained imports and imports of raw materials and capital goods in 1953 and 1959 (on the basis of 1958 import prices) are presented in Table 4, along with the annual average rates of growth between these years.

As shown in Column (3) of the Table 4, the retained imports of both raw materials and capital goods had a higher annual average rate of increase than the retained import total. This seems to be a clear indication of the effects of growth demand on the volume of Hong Kong's retained imports. That the high rate of increase of capital-goods imports was attributable to the demand of industrial growth can be substantiated by changes in the composite shares of the subgroups within the capital-goods category. The two subgroups most intimately linked with growth demand are machinery

TABLE 4
ESTIMATED RATE OF GROWTH OF RETAINED IMPORTS, 1953—1959

Item	Retained import estimates (in million HK dollar at 1958 import prices)		Annual average rate of growth (per cent)
	1953 (1)	1959 (2)	1953—1959 (3)
All retained imports	1,703.63	3,966.71	15.2
Raw materials*	623.73	1,671.92	17.9
Capital goods	97.12	262.08	18.0

Source: See, *Explanatory Notes*, Appendix I, and Table A, Appendix II for an account of the method by which the above estimates have been made.

* Including partially processed materials.

⁸ C. S. Hui, *op. cit.*

⁹ Government of Hong Kong, *Hong Kong Imports and Exports Classification List and Guide*, (Hong Kong: Government of Hong Kong, 1953 revised).

and electric machinery. They constituted respectively 50.7 and 19.6 per cent of the retained imports of capital goods in 1953. In 1959, however, their shares became 55.9 and 22.7 per cent respectively.¹⁰ Their enlarged shares signify that the retained imports of machinery and electric machinery were increasing at a higher rate than capital goods as a whole. Thus, these two subgroups were, in effect, pulling up the entire group.

Similarly in the raw materials group, the single largest subgroup is textile yarn and fabrics. It constituted 34.3 per cent of the group total in 1953 and 40.8 per cent in 1959.¹¹ That its relative importance was increased despite the abovementioned import-substitution effects¹² may well reflect a strong growth demand.

The strength of growth demand is, perhaps, also reflected in the relatively higher rate of increase in retained imports. Its annual average rate of growth, as can be seen from Table 4, came to 15.2 per cent between 1953 and 1959. During the same period, Hong Kong's overall imports increased at an annual average rate of 7.0 per cent.¹³

The change in demand-pattern attributable largely to industrial growth elevated the relative importance of Australia, the United States and Japan as sources of Hong Kong's imports. As can be seen from Table 5, these three countries had the highest rates of growth in their sales to Hong Kong

¹⁰ Retained imports of machinery and electric machinery are estimated to be respectively HK \$46.88 million and \$18.15 million in 1953; and \$149.51 million and \$60.66 million in 1959. These estimates are obtained by using the procedure described in the *Explanatory Notes* in Appendix I, and the data given in *Hong Kong Trade Returns: Imports*, December 1953, *op. cit.*, pp. VIII, 179—181, 184-185; *Hong Kong Trade Returns: Exports*, December 1953, *op. cit.*, pp. 233—237, 240-241; *Hong Kong Trade Statistics: Imports*, December 1959, *op. cit.*, pp. 111—115; *Hong Kong Trade Statistics: Exports and Re-exports*, December 1959, *op. cit.*, pp. 19, 334—336.

¹¹ Retained imports of textile yarn and fabrics are similarly estimated to be HK \$258.92 million in 1953 and \$680.97 million in 1959. For the data used, see, *Hong Kong Trade Returns: Imports*, December 1953, *op. cit.*, pp. VIII, 129—133; *Hong Kong Trade Returns: Exports*, December 1953, *op. cit.*, pp. 147—160, 173—183; *Hong Kong Trade Statistics: Imports*, December 1959, *op. cit.*, pp. 77-78; *Hong Kong Trade Statistics: Exports and Re-exports*, December 1959, *op. cit.*, pp. 282—286, 295—300.

¹² See, footnote 11 *supra*.

¹³ Official trade statistics reveal that Hong Kong's overall imports amounted to HK \$3,872.7 million in 1953 and \$4,949.4 million in 1959, both at current prices. To convert these figures to constant prices, we divide them by unit value index numbers for overall imports, which have been given at 118.50 for 1953 and 100.75 for 1959 with 1958 as the base year. Thus, we reduce the 1953 overall imports to \$3,268.10 million and the 1959 overall imports to \$4,912.56 million, both at 1958 import prices. Applying these values to the formula $m_t = m_0 r^{n-1}$ (where m_t and m_0 represent the imports for 1959 and 1953 respectively, r the annual average rate of growth and n the number of years), we obtain the value of r . Sources of data used: *Hong Kong Trade Returns: Imports*, December 1953, *op. cit.*, p. V; *Hong Kong Trade Statistics: Imports*, December 1959, *op. cit.*, p. XII; C. S. Hui, *op. cit.*

during 1953—1959, substantially above the growth rate of overall imports. During this period, Hong Kong's imports of raw materials from these countries expanded tremendously. Imports of textile fibres, for instance, increased between 1953 and 1959 at an annual average rate of 121.8 per cent from the United States, 56.1 per cent from Australia and 31.9 per cent from Japan,¹⁴ in order to feed Hong Kong's growing textile industry.

TABLE 5

MAJOR SUPPLYING COUNTRIES OF HONG KONG'S IMPORTS, 1953 and 1959

Country ^a	Share of the market ^b (per cent)		Annual average rate of increase 1953—1959 ^c (per cent)
	1953 (1)	1959 (2)	
Mainland China	22.1	20.9	6.0
Japan	9.9	15.5	15.3
U. K.	12.2	11.6	6.0
U. S. A.	5.8	10.4	18.0
Thailand	7.5	4.0	-4.0
Pakistan	3.0	2.9	6.7
West Germany	5.5	2.8	-4.8
Australia	1.4	2.7	18.8
Malaya	4.6	2.5	-3.5
Switzerland	2.7	2.3	3.9
Netherland	3.1	2.1	0.8
OVERALL IMPORTS			7.0

Source: See, Table B, Appendix II, for data used in computing the figure.

a. Given in descending order of their shares in the Hong Kong market in 1959.

b. Calculated on the basis of value figures at current prices.

c. Calculated on the basis of value figures at 1958 import prices.

¹⁴ These figures are computed on the basis of value figures at 1958 import prices, obtained by using official current value figures and Hui's unit value index numbers for 1953 and 1959 for this commodity group (Code No. 26).

SECTION IV: GROWTH EFFECTS ON EXPORTS

The effects of industrial growth on exports are revealed in 1) increases in domestic manufacture exports, 2) a reshuffle in the relative importance of export markets, and, 3) changes in the relationship between overall exports¹⁵ and Hong Kong manufacture exports.

Growth of Domestic Manufacture Exports

Data on the exports of Hong Kong manufactures from 1953 to 1960 are given in Tables 6 and 7. The division of the data into two tables has been necessitated by the time limits of the available export unit value index series. Thus, Table 6 shows changes during 1953-1959 at constant prices, and Table 7 changes during 1959-1960 at current prices.

While the statistics presented in Tables 6 and 7 are self-explanatory, attention is drawn to the following point. *First*, the 1953 export figures for 1) cereal preparations, 2) sugar preparations, 3) silver, platinum, gems and jewellery, 4) transport equipment, 5) artificial flowers, foliage and fruit, include re-exports which cannot be separated from exports of Hong Kong origin. They are given here primarily to show their growth capabilities by assuming that they represent solely domestic manufacture exports. Since re-exports are known to constitute a portion (however small it may be) of these figures, their annual average rates of growth shown in Column (3) of Table 6 are decidedly underestimates.

TABLE 6
ESTIMATED RATE OF GROWTH OF DOMESTIC MANUFACTURE EXPORTS
1953-1959

Commodity group ^a	Amount of exports (in million HK \$ at 1958 export prices)		Annual average rate of growth during the period (per cent) (3)
	1953 (1)	1959 (2)	
Artificial flowers, foliage and fruit	1.58 ^b	59.08	82.8
Toys and games	4.28	86.68	65.1
Base metals	1.99	14.16	38.7
Clothing	170.34	947.22	33.1
Non-metallic mineral manufactures	1.98	10.24	31.5
Tobacco manufactures	2.28	11.71	31.3
Silver, platinum, gems and jewellery	5.67 ^b	23.49	26.7
Plastic articles	2.58	9.88	25.1

(Continued on next page)

¹⁵ The term "overall exports" is used to include re-exports.

(Continued from previous page)

Electric machinery, apparatus and appliances	9.41	34.43	24.2
Furniture and fixtures	14.03	46.87	22.3
Manufactures of metals	33.99	111.98	22.0
Articles of basketware or of wickerwork	5.21	16.17	20.8
Footwear	40.60	112.37	18.5
Travel goods, handbags and similar articles	6.79	17.22	16.8
Dyeing, tanning and colouring materials	7.43	18.38	16.3
Vacuum flasks and jugs	3.75	9.01	15.7
Umbrellas, walking sticks and similar articles	4.16	9.49	14.8
Buttons and studs	5.51	12.20	14.1
Plumbing, heating and lighting fittings	27.91	61.52	14.1
Transport equipment	18.85 ^b	38.59	12.7
Textile yarn, fabrics and made-up articles	212.54	399.90	11.1
Cereal preparations	12.50 ^b	21.90	9.8
Matches	0.70	0.77	1.6
Fish in airtight cans	2.35	2.26	-0.8
Beverages	2.72	1.72	-7.9
Sugar preparations	54.41 ^b	30.22	-10.4
Others	c	51.33	d
TOTAL	560.64^e	2,158.79	25.2

Sources: See, Table D, Appendix II.

- a. Most of the groups correspond to the commodity divisions (with 2-digit coding) used in Hong Kong official trade statistics. The division under the label of "miscellaneous manufactured articles" has, however, been broken down to the following : 1) artificial flowers, foliage and fruit; 2) toys and games; 3) articles of basketware or of wickerwork; 4) plastic articles; 5) button and studs; 6) umbrellas, walking sticks and similar articles; 7) vacuum flasks and jugs; 8) matches; and, 9) others. The commodity groups are arranged here in descending order of their growth rates.
- b. The figures includes re-exports and does not enter in the total.
- c. Unknown.
- d. Not applicable.
- e. Excluding figures marked with b. See, footnote b *supra*.
- f. Principally including printing, musical instruments, tooth-brushes, and fountain pens.

TABLE 7
CHANGES IN DOMESTIC MANUFACTURE EXPORTS, 1959-60

Commodity group ^a	Increase or decrease (per cent) ^b
Artificial flowers, foliage and fruit	143.6
Base metals	118.8
Silver, platinum, gems and jewellery	38.2
Plastic articles	37.3
Electric machinery, apparatus and appliances	34.4
Textile yarn, fabrics and made-up articles	33.9
Toys and games	29.2
Travel goods, handbags and similar articles	27.8
Clothing	27.4
Umbrellas, walking sticks and similar articles	22.4
Sugar preparations	18.2
Vacuum flasks and jugs	17.2
Plumbing, heating and lighting fittings	14.9
Furniture and fixtures	14.4
Dyeing, tanning and colouring materials	13.3
Articles of basketware or of wickerwork	8.4
Cereal preparations	6.8
Beverages	5.9
Footwear	5.0
Fish in airtight cans	nil
Buttons and studs	-0.8
Manufactures of metals	-2.0
Tobacco and tobacco manufactures	-4.9
Non-metallic mineral manufactures	-8.0
Matches	-12.5
Transport equipment	-42.9
Others ^c	13.8
TOTAL	26.9

Source : See, Table D, Appendix II for data used in computing these figures.

a. See, footnote a to Table 6.

b. Computed from export data at current prices.

c. See, footnote f to Table 6.

Second, to be consistent with our practice in estimating retained imports, these export items of indeterminable origin are left out in aggregation. Thus, the 1953 total of HK\$560.64 million (at 1958 export prices) given in

Column (1) of Table 6 represents an underestimate. Consequently, the growth rate of 25.2 per cent for overall manufacture exports (*see*, Column (3) of the same table) is upward biased. The bias, however, does not seem to be too pronounced, judging by the 26.9 per cent increase in 1960 shown in Table 7. Here, we should point out that the rates of increase given in Table 7 and the annual average rates of growth given in Table 6 are not exactly comparable because, as pointed out above, the latter are calculated from export data at constant prices, whereas the percentage increases in 1960 are based on figures at current prices. Nevertheless, the rates of increases presented in Table 7 can serve as a check as to whether the 1953–1959 trend was continuing in 1960.

Third, in addition to a high aggregative rate of increase in Hong Kong manufacture exports, the effects of industrial growth are also revealed in a wide spread of manufacture exports with relatively high growth rates. Ninety-five per cent of Hong Kong manufacture exports (on the basis of 1959 value figures at 1958 prices) had an annual average rate of growth of over 10 per cent from 1953–1959, with the group “artificial flowers, foliage and fruit” reaching the highest growth rate of 82.8 per cent. Here again, this exceptionally high rate was more than confirmed in 1960, as can be seen from Table 7.

Lastly, growth effects have been manifested in a shift from the export of semimanufactured goods to that of made-up articles. This tendency can be illustrated by the fact that, during 1953–1959, the exports of clothing had an annual average growth rate of 33.1 per cent (*see*, Column (3) of Table 6), while the exports of cotton yarn, on the other hand, showed an annual average *decline* rate of 0.9 per cent.¹⁶

Changes in Export Markets

With Hong Kong's industrial growth during 1953–1959, the United States and the United Kingdom replaced Mainland China and Indonesia as the two most important buyers of Hong Kong exports. On the basis of value data at 1958 prices, exports to the United States during this period increased eleven times and exports to the United Kingdom quintupled.¹⁷ That such fabulous increases are attributable chiefly to Hong Kong's industrial growth can be judged by two relationships:

First, approximately 90 per cent of the exports of Hong Kong origin consisted of manufactures during the period of our investigation.

¹⁶. Exports of cotton yarn produced in Hong Kong declined from 31.3 million pounds in 1953 to 29.6 million pounds in 1959. *See, Hong Kong Trade Returns: Exports, December 1953, op. cit.*, pp. 147–151; *Hong Kong Trade Statistics: Exports and Re-exports, December 1959, op. cit.*, pp. 55–56.

¹⁷. *See*, Table C, Appendix II.

Second, Hong Kong's re-exports to either of the two countries constituted less than 5 per cent of their individual purchases in 1959.¹⁸

Data presented in Table 8 reveal an interesting trend. During the period 1953—1959, Hong Kong's exports to most Asian countries declined while exports to Western countries increased. Inasmuch as re-exports to the individual countries in 1953 are unknown, no conclusive case can be established. However, by looking into Hong Kong's exports to the United States and the United Kingdom, we find that increases were most prominent in the following commodity groups: textiles, clothing, footwear, toys and games, artificial flowers, and plastic articles. Together, they constituted 7.5 and 39.0 per cent of Hong Kong's exports to the United States and to the United Kingdom in 1953 respectively, and 77.5 and 85.0 per cent in 1959. Growth in current values and changes in the shares of these commodity groups in total exports to the two countries between 1953 and 1959 are shown in Table 9.

That the markets for these manufactures should expand rapidly in the industrially advanced countries is, perhaps, understandable. All these are products of industries with relatively low capital-intensity (capital-labour ratio), in which Hong Kong enjoys a comparative advantage. Moreover, being a free port Hong Kong enjoys an additional advantage of having a wider range of choice of all types of capital equipment embodying the most up-to-date technology at the lowest possible prices. This tends to yield a double-barrelled effect of minimizing outlays on capital equipment relative to labour and raising labour productivity. Hong Kong's cotton textile industry is an obvious case in point. It is, therefore, no surprise that cotton textile producers in both the United Kingdom and the United States have become deeply concerned over the headway Hong Kong is making in their markets.

Manufacture Exports and Overall Exports

Let us now turn to growth effects on the relationship between overall exports and domestic manufacture exports. Our estimate for the latter in 1953 came to HK\$715.4 million at current prices.¹⁹ The 1953 overall exports are known to be \$2,733.7 million.²⁰ Thus, exports of Hong Kong manufactures constituted 26.2 per cent of overall exports. In 1959, how-

¹⁸. Overall exports to the United States and the United Kingdom in 1959 amounted respectively to HK \$591.0 million and \$462.2 million. See, Table C, Appendix II. The 1959 re-exports to the United States and the United Kingdom are reported to be HK \$ 27.2 million and \$22.8 million respectively. See, *Hong Kong Trade Statistics: Exports and Re-exports*, December 1959, *op. cit.*, pp. xvi—xvii.

¹⁹. See, Table D, Appendix II.

²⁰. See, Table C, Appendix II.

TABLE 8
HONG KONG's MAJOR EXPORT MARKETS, 1953 AND 1959

Country ^a	Share in total exports ^b (per cent)		Annual average rate of increase, 1953—1959 ^c
	1953 (1)	1959 (2)	(per cent) (3)
U. S. A.	2.3	18.0	52.0
U. K.	4.4	14.1	30.9
Malaya	12.3	11.6	6.5
Japan	8.1	7.1	5.2
Thailand	7.6	4.5	—1.4
Mainland China	19.8	3.5	—24.0
Australia	1.3	2.6	20.8
West Germany	0.8	2.5	30.6
Indonesia	13.6	2.3	—24.9
Canada	0.8	2.2	27.5
Taiwan	3.9	1.8	—5.6
Philippines	2.3	1.5	Negligible
OVERALL EXPORTS			7.6

Source: See, Table C, Appendix II for data used in computing the figures.

a. Given in descending order of share in total exports in 1959.

b. Calculated on the basis of value figures at current prices. Total exports include re-exports.

c. Calculated on the basis of value figures at 1958 export prices.

TABLE 9

EXPORTS OF SELECTED COMMODITIES TO USA AND UK, 1953 AND 1959

(in million HK dollars at current prices)

Commodity group	Exports to USA ^a				Exports to UK ^b			
	1953		1959		1953		1959	
	Amount (1)	Percentage of total exports to USA (2)	Amount (3)	Percentage of total exports to USA (4)	Amount (5)	Percentage of total exports to UK (6)	Amount (7)	Percentage of total exports to UK (8)
Textiles	0.97	1.6	42.95	7.3	5.99	5.0	167.92	36.3
Clothing	2.92	4.7	323.29	54.7	16.86	14.1	143.06	31.0
Footwear	0.56	0.9	12.92	2.2	21.79	18.3	46.83	10.1
Toys and games	0.06	0.1	35.89	6.1	1.72	1.4	24.62	5.3
Artificial flowers	0.14	0.2	41.49	7.2	0.08	0.1	8.82	1.9
Plastic articles ^b	0.01	c	1.02	0.2	0.06	0.1	1.71	0.4

Sources: "Summary of Total Value of Imports and Exports under Divisions by Countries," *Hong Kong Trade Returns: Exports, December 1953, op. cit.*, pp. I-II, XX, 291, 296, 299; "Summary of Total Value of Imports, Exports and Re-exports by Divisions under Countries," *Hong Kong Trade Statistics: Exports and Re-exports, December 1959, op. cit.*, pp. 180-181, 185-187, 192-194, 372, 374-375, 378-379.

a. Including re-exports.

b. Excluding plastic toys which are included in the "toys and games" group.

c. Negligible.

ever the relative importance of manufacture exports increased to 65.9 per cent.²¹ This level was more or less maintained in 1960.²²

The higher 1959 ratio of domestic manufacture exports to overall exports resulted from a much faster increase of the former. As shown in Column (3) of Table 6, exports of Hong Kong manufactures increased during 1953-1959 at an annual average rate of 25.2 per cent. In the same period, the annual average rate of growth for overall exports (calculated on the basis of value figures at 1958 export prices) came merely to 7.6 per cent.²³ Undoubtedly, industrial growth provided the driving force behind Hong Kong's expanding export trade.

SECTION V: GROWTH EFFECTS ON THE BALANCE OF TRADE

The effects of industrial growth on Hong Kong's visible trade balance can be shown by a few significant changes taking place during the period of our investigation. First, although the *absolute* gap in the overall trade account continued to widen during 1953-1960 ²⁴ *pari passu* the expansion of visible trade, the rise in deficits as a proportion of total trade turnover was arrested in 1959. This proportion was 17.2 per cent in 1953, 20.3 per cent in 1959 and 19.7 per cent in 1960.²⁵ For an explanation of this, we can look

²¹ For data used in arriving at this percentage, see, Tables C and D, Appendix II.

²² The 1960 share of domestic manufacture exports in the overall total is calculated to be 65.1 per cent.

²³ See, Table 8 *supra*. This checks with the result obtained by using Hui's quarterly quantum index series for exports given in "An Export Index for Hong Kong," *Far Eastern Economic Review*, April 13, 1961, p. 103.

²⁴

Years	Negative trade balance* (in millions HK dollars at current prices)
-------	--

1953	1,138.9
1954	1,018.4
1955	1,184.9
1956	1,356.6
1957	2,133.2
1958	1,604.9
1959	1,671.8
1960	1,926.0

*Derived from data given in *Hong Kong Trade Statistics: Imports*, December 1960, *op. cit.*, p. XII.

²⁵ The total volume of trade was HK \$6,606.39 million in 1953, \$ 8,226.91 million in 1959, and \$9,801.40 million in 1960. Derived from *Hong Kong Trade Statistics: Imports*, December 1960, *op. cit.*, p. XII.

into the "indigenous trade" (overall external trade *minus* entrepot trade) account, where deficits as a percentage of the turnover declined from 45.0 in 1953 to 26.8 in 1959 and to 25.2 in 1960.²⁶

Second, while the imports of raw materials and capital goods were rising at the average annual rates of 17.9 and 18.0 per cent respectively, domestic manufacture exports were growing at the rate of 25.2 per cent per year during 1953-1959.²⁷ By the latter year, the foreign-trade account of the industrial sector already showed a *surplus* of HK\$83.6 million whereas in 1953 there was a *deficit* of \$131.1 million, both at current prices.²⁸ *Ceteris paribus*, the incremental ratio of retained raw material and capital-goods imports to domestic manufacture exports is likely to continue declining over years, although the concentration of capital-goods imports in a single year may raise the ratio for that year. This was the case in 1960 when retained capital-goods imports showed a 47.9-per-cent increase²⁹ and when the surplus in the foreign-trade account of the industrial sector declined from 2.1 to 1.6 per cent of the trade turnover.³⁰

Third, Hong Kong's industrial growth during 1953-1960 was accompanied by a reshuffle in the relative importance of its trade partners. Of the top four countries (the United State, Australia, Canada and the United Kingdom) which more than doubled their trade with Hong Kong during this period, the United States was conspicuous in its high rate of increase. As shown in Column (5) of Table 10, the latter came to 416 per cent for the period. More significantly, the balance of Hong Kong's trade with the United States showed a *deficit* of HK\$162.54 million in 1953 and a *surplus* of \$43.33 million in 1960 (see, Columns (1) and (3) of Table 10). The commodity group responsible for the reversal of this trade balance is clothing. In 1953, Hong Kong imported HK\$8.94 million worth of clothing from, and exported \$2.92 million worth of clothing to, the United States, thus incurring a *deficit* of \$6.02 million. In 1960, however, Hong Kong's imports of clothing from, and exports to, the United States became HK\$10.85 million and \$375.70

²⁶. Derived from data given in Tables A, D and E, Appendix II.

²⁷. See, Column (3) of Tables 4 and 6 above.

²⁸. Derived from data given in Tables A and D, Appendix II.

²⁹. Computed from data given in Table A, Appendix II. Our figure is smaller than that given in *Directory of Commerce, Industry, Finance, Hong Kong, 1961, op. cit.*, p. 71. This discrepancy arises from the fact that retained imports as used by the Commerce and Industry Department differ from our concept by not excluding the negative items in aggregation.

³⁰. Derived from data given in Tables A and D, Appendix II.

TABLE 10

BALANCE OF HONG KONG'S TRADE WITH USA, AUSTRALIA,
CANADA AND UK, 1959 AND 1960

(in million HK dollars at current prices)

Country*	1953		1960		Increase 1960 over 1953 (per cent) (5)
	Surplus (+) or deficit (—) (1)	Percentage of trade total (2)	Surplus (+) or deficit (—) (3)	Percentage of trade total (4)	
U. S. A.	—162.54	56.6	+43.33	2.9	416.4
Australia	— 20.06	22.0	— 19.06	7.4	183.5
Canada	— 36.25	44.8	— 29.43	14.2	156.7
U. K.	—355.09	59.8	— 56.23	4.4	114.3

Sources: Computed from data given in "Summary of Total Values of Imports of Merchandise for the Twelve Months of 1953 by Countries" and "Summary of Total Values of Exports of Merchandise for the Twelve Months of 1953 by Countries," *Hong Kong Trade Returns : Imports*, December 1953, *op. cit.*, pp. V-VI; *Hong Kong Trade Statistics: Exports and Re-exports*, December 1960, *op. cit.*, pp. XIV-XV.

* Including countries whose trade with Hong Kong at least doubled between 1953 and 1960.

million respectively, with a *surplus* of \$364.85 million.³¹

In the case of Hong Kong's trade with the other three countries, although deficits remained, their amount decreased in spite of the increase in trade. Consequently, Hong Kong's unfavourable trade balances with these countries were drastically reduced relative to trade volume, as can be seen from Columns (2) and (4) of Table 10. It, thus, becomes apparent that changes in trade direction resulting from industrial growth have worked toward bettering Hong Kong's balance-of-trade position.

SECTION VI: CONCLUDING REMARKS

Major changes in Hong Kong external trade during 1953-1960 have been examined and analysed in this study to show that they were closely related to industrial growth. This relationship is bound to be close because Hong Kong's industry relies, on the one hand, on imports for its supply of raw materials and capital equipment, and on the other hand, on export markets for its products. Thus, external trade becomes an "engine of growth" for Hong Kong's industry.

^{31.} *Hong Kong Trade Returns: Exports*, December 1953, *op. cit.*, p. XX; *Hong Kong Trade Statistics: Exports and Re-exports*, December 1960, *op. cit.*

This close relationship has significant implications on the industrial growth of Hong Kong. *First*, dependence on imports for capital equipment facilitates the introduction of the most up-to-date techniques in the industries in which Hong Kong enjoys comparative advantage.

Second, Hong Kong's export-oriented industrial development can expect to attain economies of scales, which a large country obtains from the size of its internal market. In this way, Hong Kong's industrial growth escapes the limitations imposed by its small home market, and by the pattern and income elasticities of domestic demand.

While Hong Kong's industrial future hinges on an unceasing expansion of external trade, the pattern and direction of trade will continue to be influenced by further industrial growth.

Appendix I

EXPLANATORY NOTES

Estimates of 1953 Retained Imports

The procedure used in estimating retained imports for 1953 is as follows :

We first identify the origin of Hong Kong exports in order to determine re-exports. Some export items, carrying the designation of "locally made" can be easily identified as of Hong Kong origin. Their code numbers are defined in *Hong Kong Imports and Exports Classification List and Guide* (*op. cit.*). Some export items, also having their code numbers, can be identified as principally of Hong Kong origin.

We proceed next to add up the exports of Hong Kong origin within each division (2-digit coding) and then deduct the sum from the total exports of each division. We, thus, obtain our re-export estimates for these divisions.

Deducting these re-exports from the imports of their corresponding divisions, we obtain the estimated retained imports for these divisions.

For a few divisions, the estimated re-exports, with 2-digit coding, are greater than their imports. The difference is assumed to have come from entrepot trade, inventory stock, and has been ignored in aggregation.

We, subsequently, group the retained import estimates into five categories: raw materials, capital goods, consumer goods, fuel and foods. This grouping is made with a view to show the effects of industrial growth on the pattern of retained imports. Retained import estimates, thus grouped, are given in Table A of Appendix II, along with re-export estimates.

Conversion to 1958 Prices

In order to measure the growth of the retained imports of raw materials and capital goods, we need to convert our estimates of current value to those at constant prices. For such conversion, we are making use of the available unit value index series for imports for the period 1953-1959, prepared by C. S. Hui of the Hong Kong University. Although this series represents overall imports, our belief is that import price fluctuations should not be unduly influenced by their destination. This series has been prepared in the form of quarterly index numbers to show seasonal pattern of price changes. Since our concern is not seasonal price fluctuations, we need only use the 1953 and 1959 annual average unit value index numbers.

We have used the simple averages of the quarterly data to convert our current value estimates to the 1958 price base for all divisions except those where retained imports of an end-use category constitutes small fraction of the division. Here, our use of the simple average is sufficient because its accuracy is distorted only when both prices and quantities of the division show drastic changes during the year. Nevertheless, sample checks have been made to ensure that our derived annual index numbers are reasonably accurate for our purpose.

A similar procedure has been used in converting the price base of domestic manufacture exports in order to calculate their rate of growth.

Appendix II : Tables

TABLE A

ESTIMATES OF RETAINED IMPORTS BY END-USE, 1953, 1959 AND 1960

(in million HK dollars at current prices)

End-use category	1953		1959		1960	
	Re-export (1)	Retained import (2)	Re-export (3)	Retained import (4)	Re-export (5)	Retained import (6)
Raw materials ^a	831.11	753.93 ^b	474.46	1,667.96 ^c	511.08	2,086.93 ^f
Capital goods	124.56	92.52	45.03	267.51	48.41	395.66
Consumer goods	530.72	237.34 ^c	253.70	698.55	301.05	865.45
Fuel	6.01	130.33	7.58	208.35	7.01	210.82
Food	484.91	746.85 ^d	214.62	1,112.33	202.90	1,236.80
TOTAL	1,977.31	1,960.97	995.39	3,954.70	1,070.45	4,795.66

Sources: Estimated according to the procedure described in the *Explanatory Notes*, using basic data given in *Hong Kong Trade Returns: Imports, December 1953, passim*; *Hong Kong Trade Returns: Exports, December 1953, passim*; *Hong Kong Trade Statistics: Imports, December 1959 and December 1960, passim*; *Hong Kong Trade Statistics: Exports and Re-exports, December 1959 and December 1960, passim*.

- Including partially processed commodities.
- Current negative retained imports amounting to HK\$27.98 million in this commodity group are assumed to have come from stock and, therefore, have not been included in this total.
- Current negative retained imports of HK\$32.46 million have been excluded from the group total.
- Current negative retained imports of HK\$5.12 million have been excluded from the group total.
- Current negative retained imports of HK\$760,000 have been excluded from the group total.
- Current negative retained imports of HK\$2.39 million have been excluded from the group total.

TABLE B

IMPORTS OF HONG KONG BY COUNTRIES, 1953 AND 1959

(in million HK dollars)

Country ^a	1953 Amount of imports		Country ^a	1959 Amount of imports	
	At current prices (1)	At 1958 prices (2)		At current prices (3)	At 1958 prices (4)
Mainland China	857.1	723.3	Mainland China	1,034.2	1,026.5
U. K.	474.4	400.3	Japan	769.6	763.9
Japan	384.1	324.1	U. K.	573.7	569.5
Thailand	289.8	244.6	U. S. A.	516.7	512.8
U. S. A.	224.9	189.8	Thailand	196.9	195.4
West Germany	212.7	179.5	Pakistan	145.8	144.7
Malaya	177.5	149.5	West Germany	136.4	135.4
Netherlands	119.2	100.6	Australia	133.2	132.2
Pakistan	116.4	98.2	Malaya	123.1	122.1
Switzerland	105.2	88.8	Switzerland	112.0	111.2
Australia	55.7	47.0	Netherlands	106.1	105.3
Others	855.7	722.4	Others	1,207.9	1,198.9
TOTAL	3,872.7	3,268.1	TOTAL	4,949.5	4,912.7

Sources: Column (1) taken from *Hong Kong Trade Returns: Imports*, December 1953, *op. cit.*, p. V.

Column (2) computed from data given in Column (1) and in C. S. Hui, *op. cit.*

Column (3) taken from *Hong Kong Trade Statistics: Imports*, December 1959, *op. cit.*, pp. XIV-XV.

Column (4) computed from data given in Column (3) and in C. S. Hui, "An Import Index for Hong Hong," *op. cit.*, pp. 1320-1322.

a. Given in descending order of importance.

TABLE C
MAJOR EXPORT MARKETS OF HONG KONG, 1953 AND 1959

(in million HK dollars)

Country ^a	1953 Amount of exports		Country ^a	1959 Amount of exports	
	At current prices (1)	At 1958 prices (2)		At current prices (3)	At 1958 prices (4)
Mainland China	540.35	418.88	U. S. A.	591.00	595.47
Indonesia	372.00	288.37	U. K.	462.18	465.67
Malaya	337.19	261.39	Malaya	380.11	382.98
Japan	221.59	171.78	Japan	231.11	232.86
Thailand	206.72	160.25	Thailand	146.82	147.93
U. K.	119.26	92.45	Mainland China	114.33	115.19
Taiwan	105.78	82.00	Australia	85.27	85.91
Macao	88.20	68.37	West Germany	83.55	84.18
Philippines	64.05	49.65	Indonesia	75.17	75.74
U. S. A.	62.37	48.35	Canada	73.63	74.19
Australia	35.63	27.62	Taiwan	58.48	58.92
Canada	22.33	17.31	Philippines	49.13	49.50
West Germany	21.92	16.99			
TOTAL	2,733.72	2,119.16	TOTAL	3,277.54	3,302.31

Sources: Column (1) taken from *Hong Kong Trade Returns: Exports*, December 1953, *op. cit.*, p. VI.

Column (2) computed from data given in Column (1) and in C. S. Hui, "An Export Index for Hong Kong," *Far Eastern Economic Review*, April 13, 1961, pp. 102-103.

Column (3) taken from *Hong Kong Trade Statistics: Exports and Re-exports*, December 1959, *op. cit.*, pp. XIV-XV.

Column (4) computed from data given in Column (3) and in C. S. Hui, *op. cit.*

a. Given in descending order of importance.

TABLE D

EXPORTS OF HONG KONG MANUFACTURES, 1953, 1959 AND 1960

(in million HK dollars at current prices)

Code no	Commodity group	1953 (1)	1959 (2)	1960 (3)
032-012	Fish in airtight cans	1.6	2.0	2.0
04 ^a	Cereals and cereals preparations	48.6 ^c	19.0	20.3
06	Sugar and sugar preparations	57.4 ^c	26.9	31.8
11	Beverages	2.5	1.7	1.8
12	Tobacco and tobacco manufactures	2.6	12.3	11.7
53	Dyeing, tanning and colouring materials	10.9	16.5	18.7
65	Textile yarn, fabrics, made-up articles and related products	257.7	413.9	554.2
66	Non-metallic mineral manufactures, <i>n.e.s.</i>	2.9	16.2	14.9
67	Silver, platinum, gems and jewellery	7.1 ^c	24.9	34.4
68	Base metals	2.5	15.4	33.7
69	Manufactures of metals	48.1	120.1	117.8
72	Electric machinery, apparatus and appliances	17.1	35.2	47.3
73	Transport equipment	21.4 ^c	30.1	17.2
81	Prefabricated buildings, sanitary, plumbing, heating and lighting fixtures and fittings	41.3	60.9	70.0
82	Furniture and fixtures	18.8	43.0	49.2
83	Travel goods, handbags and similar articles	9.1	15.8	20.2
84	Clothing	201.0	793.3	1,010.4
85	Footwear	54.5	109.0	114.5
89 ^b	Artificial flowers, foliage and fruits	2.7 ^c	61.0	148.6
89 ^b	Toys and games	7.3	89.5	115.6
89 ^b	Articles of basketware or of wickerwork, <i>n.e.s.</i>	8.9	16.7	18.1
89 ^b	Articles made of plastics, <i>n.e.s.</i>	4.4	10.2	14.0
89 ^b	Buttons and studs of all materials except those of precious metals	9.4	12.6	12.5
89 ^b	Umbrellas, parasols, walking sticks and similar articles	7.1	9.8	12.2
89 ^b	Vacuum flasks and jugs, complete	6.4	9.3	10.9
89 ^b	Matches	1.2	0.8	0.7
89 ^b	Others	c	53.0	60.3
TOTAL		715.4	2,019.1	2,562.8

Sources: *Hong Kong Trade Returns: Exports*, December 1953, *passim*; *Hong Kong Trade Statistics: Exports and Re-exports*, December 1959 and December 1960, *passim*.

- Excluding white rice, glutinous rice, unmilled cereals, wheat flour, and rice meal flour.
- Here the 2-digit instead of 6-digit code numbers are given, as the latter are different in the 1953 and the 1959 trade statistics.
- Trade figure for this group includes re-exports which cannot be separated from exports of Hong Kong origin.

TABLE E

NON-MANUFACTURE EXPORTS OF HONG KONG ORIGIN
1953, 1959 and 1960

(in million HK dollars at current prices)

Code no.	Commodity group	1953 (1)	1959 (2)	1960 (3)
03	Fish and fish preparations ^a	c	10.3	8.1
04	Cereal and cereal preparations	d	0.4	0.5
05	Fruits and vegetable	21.0	33.3	38.0
28	Metalliferous ores and metal scrap	6.8	87.0	100.7
29	Animal and vegetable crude materials	0.2	13.4	17.5
	Others ^b	d	118.6	139.6

Source: See, sources given in Table D, Appendix II.

- a.* Excluding fish preparations in airtight containers.
- b.* Including unspecified items of manufacture exports.
- c.* Trade figures for this group includes re-exports which cannot be separated from exports of Hong Kong origin.
- d.* Nil.