

MARKET PROFILES

IOWA FAR EAST TRADE
MISSION COUNTRIES

Hong Kong
Japan
The Philippines
Taiwan (Formosa)
Thailand

Prepared by
Research Division
Iowa Development Commission
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MARKET PROFILE - HONG KONG

Hong Kong is a British Crown Colony located at the mouth of the Canton River in South China. Hong Kong is a free port and a most important import and export center for Asia. By Asian standards, the Hong Kong colony is quite prosperous.

People

The 1965 estimated population is 3.6 million and is increasing at about 3% per year. At least 70% of the people live in small urban centers on Hong Kong Island, Kowloon, and New Kowloon. However, urban areas account for only 10% of the total land area. The residents are almost entirely Chinese.

English is the official language and is understood by most businessmen.

Hong Kong has a good educational system. About 80% have had schooling and the literacy rate is 75%.

There is virtually full employment, about 1.4 million being employed. More than one-third are employed in industry, 11% in commerce, 7% in agriculture, 7% in transportation and communications and 22% in services. Wages are quite low but they are rising.

Economy

Hong Kong's economy is very dynamic and rapidly expanding. The growth rate is estimated at 10% a year. Lacking mineral and fuel resources, it compensates by utilizing low-cost labor in high labor-input industries and by virtue of its position as an important distribution point for other far Eastern markets. Industries thrive in its highly competitive economy, relatively free of government control.

Per capita income is roughly \$400. The principal economic activities are manufacturing, construction, tourism, trade and commercial services. New firms which are almost constantly established require a wide range of imported machinery and raw material.

Agriculture is limited by scarce land. The major crops are rice and vegetables. Some poultry and livestock are raised and there is some dairy production. The bulk of food requirements is imported. Demand for soybean oil is rising.

Industrial production is geared largely for export and based on the processing of imported materials. Few heavy industries are feasible due to the limited land area, but light consumer industries are extremely active and quite prosperous. Major light industries include textiles, clothing, furniture and jewelry.

A U.S. trade mission to Hong Kong in 1963 uncovered markets for building materials; equipment and accessories, machine tools and light metal working machinery; scientific, medical, optical and hospital equipment; consumer goods; packaging and handling machinery; and road building and heavy construction equipment.

Port and shipping facilities are among the best in Asia. The modern international airport serves the latest jet aircraft. There is a 29 mile rail line and good paved highways connect major points.

Hong Kong has well developed and modern radio, television, telephone, telecommunication and postal facilities.

No data are available on Hong Kong's Gross National Product.

Foreign Trade

<u>Imports</u>	<u>Total</u>	<u>From U.S.</u>
1964	\$1,496 million	\$171 million
1963	\$1,297 million	\$142 million

Suppliers by market share, 1964

Communist China	22.3%
Japan	18.2%
U.S.	11.4%
United Kingdom	9.8%

Principal imports from the U.S. include: cotton, machinery, air conditioning equipment, plastic materials, fruits and vegetables, and tobacco.

Hong Kong is a free port. Being a British Colony it is not subject to rules and regulations of the customs and postal departments of the Chinese Republic.

Excellent trade prospects exist in the following areas: non-electric machinery, food products, chemicals, clothing, man-made fabrics, tobacco products and raw cotton.

Import licenses are required on four classes of goods.

- (1) Dutiable goods - Includes tobacco products; alcoholic beverages; toilet preparations; proprietary medicine; hydrocarbon oils; and table waters.
- (2) Dangerous and undesirable goods - e.g., explosives, narcotics and poisons.
- (3) Restricted goods - The present coverage includes: coin-operated gaming and music-playing machines; celluloid film scrap; coal; frozen or chilled beef, mutton and pork; veal and lamb; rice; sugar; plants originating in the American tropics; and silver and gold.
- (4) Strategic goods - Items embargoed for shipment to Communist China and North Korea.

Meat and poultry must be accompanied by an official certificate issued by the U.S.D.A.

Finance

The Hong Kong dollar is worth 0.175 U.S. dollars (HK\$1=US\$0.175). Currency in circulation equaled 1.4 billion Hong Kong dollars at the end of 1964.

There is an official exchange control and also an extensive free market for trading in dollars and other currencies.

UNITED STATES EXPORTS OF DOMESTIC MERCHANDISE TO HONG KONG, 1964

Continent, country of destination and SITC section description		Value (dollars)	Continent, country of destination and SITC section description		Value (dollars)	Continent, country of destination and SITC section description		Value (do)
SITC group code	SITC group description		SITC group code	SITC group description		SITC group code	SITC group description	(do)
HONG KONG TOTAL¹		185,424,846*	SECT. 3 MINERAL FUELS, LUBRICANTS & MAT		1,609,097*	694	NAILS BOLTS ETC	83
SECT. 0 FOOD AND LIVE ANIMALS		19,856,527*	332	PETROLEUM PRODS	1,609,097	695	HAND TOOLS ETC	159
002	ANIMALS FOR FOOD	9,459	SECT. 4 ANIMAL & VEGETABLE OILS & FATS		6,472,010*	696	CUTLERY	636
003	LIVE ANIMALS NES	1,474	411	ANIMAL OILS FATS	16,790	697	HOUSE WARES METL	108
011	MEAT FRESH NES	3,334,862	422	VEG OIL SOFT	1,462,631	698	METAL MFS NES	805
012	MEAT DRIED ETC	3,730	431	VEG OIL OTHER	19,987	SECT. 7 MACHINERY & TRANSPORT EQUIPMT		
013	MEAT CANNED ETC	100,194	431	OIL FAT PROC NES	4,972,602	711	POWER MACH NES	978
022	MILK AND CREAM	427,084	SECT. 5 CHEMICALS		29,677,602*	712	AGRICULTURE MACH	436
023	BUTTER	50,139	512	ORG CHEMIC	2,051,782	714	OFFICE MACHRY	1,828
024	CHEESE AND CURD	16,113	513	GASEOUS CHEM	733,820	715	METALWORKING MACH	293
025	EGGS	1,140	514	INORG CHEM NES	46,120	717	TEXTILE ETC MACH	2,221
031	FISH FRESH ETC	11,100	521	TAR CR COAL CHEM	71,285	718	MACH FR SPEC IND	1,347
032	FISH PRESERVED	561,137	531	COALTAR DYES ETC	490,436	719	MACHINERY NES	9,644
041	WHEAT UNMILLED	404,753	533	PAINTS ETC	471,348	722	ELEC POWER MACH	241
042	RICE	52,438	541	DRUGS ETC	7,898,352	723	ELEC DISTRIB MAC	40
044	MAIZE UNMILLED	202,637	551	ESSENTIAL OILS	319,995	724	TELECOM EQUIPMT	5,122
045	CEREAL UNM NES	6,083	553	PERFUME COSMETIC	1,377,484	725	OMSTC ELEC EQUIP	1,227
046	WHEAT FLOUR ETC	962,281	554	SOAP DETRGNT ETC	743,733	726	ELEC MEDICAL EQU	31
047	FLOUR ETC NES	85,230	561	FERTILIZERS MFD	13,217	729	ELEC MACH NES	2,379
048	CEREAL PREPS	426,125	571	EXPLOSIVES ETC	55,519	732	ROAD MOTOR VEH	528
051	FRUIT NUTS FRESH	7,114,796	581	PLASTIC MATERIAL	13,602,225	733	ROAD VEH NES	15
052	DRIED FRUIT	428,132	599	CHEM MAT PRD NES	1,802,286	734	AIRCRAFT	4,000
053	FRUIT PREP PRES	812,518	SECT. 6 MFRD GOODS CLSFD CHFLY BY MAT		34,998,601*	735	SHIPS AND BOATS	131
054	VEG FRESH DRY	330,854	611	LEATHER	1,210,502	SECT. 8 MISC MANUFACTURED ARTICLES		
055	VEG PREP PRES	731,819	612	MFS LEATHER ETC	351,046	812	BLOG FIXTURES	867
061	SUGAR AND HONEY	73,474	613	FURS DRESSED ETC	348,751	821	FURNITURE ETC	240
062	SUGAR PREPS CONF	1,242,435	621	RUBBER SEMIFNSHD	15,158	831	HANDBAGS ETC	496
071	COFFEE	289,854	629	RUBBER MFD NES	998,380	841	CLOTHES NOT FUR	5,846
072	COCOA	26,198	631	VENEER PLYWD ETC	2,981	842	FUR CLOTHES ETC	144
073	CHOCCLT AND PREP	93,495	632	WOOD MFS NES	63,523	851	FOOTWEAR	459
074	TEA AND MATE	1,576	633	CORK MFS	2,708	861	INSTRUMENTS ETC	916
075	SPICES	9,014	641	PAPER PAPERBOARD	3,036,460	862	PHOTO GOODS	1,932
081	FOODER NES	1,375,087	642	PAPER ETC MFS	516,402	863	DEVD MOVIE FILM	385
091	MARGARINE ETC	196,531	651	YARN THREAD	94,075	864	WATCHES CLOCKS	343
099	FOOD PREP NES	474,765	652	COTTON FABRICS	959,179	891	MUSIC INSTRU ETC	915
SECT. 1 BEVERAGES AND TOBACCO		14,972,104*	653	MISCEL FABRICS	3,676,706	892	PRINTED MATTER	540
111	BEVERAGES NONALC	15,980	654	RIBBONS ETC	95,532	893	PLASTIC MFS NES	180
112	BEVERAGES ALC	134,442	655	SPECIAL FABRICS	421,261	894	TOYS ETC	1,261
121	TOBACCO UNMFD	4,937,755	656	MADEUP TEXTILES	910,460	895	STATIONERY	4,540
122	TOBACCO MFS	9,883,927	657	RUGS LINO ETC	46,559	896	ART WORKS ETC	27
SECT. 2 CRUDE MTRLS, INEDIBLE EX FUELS		21,476,085*	661	LIME CEMENT ETC	32,932	897	GOLD SILVR WARES	1,201
211	HIDES CRUDE	84,529	662	BRICKS TILES ETC	4,244	899	MFD GOODS NES	1,263
212	FUR SKINS CRUDE	38,586	663	MINERAL MFS NES	188,785	SECT. 9 COMMODITIES NOT CLSFD BY KIND		
221	OIL SEEDS ETC	239,026	664	GLASS	58,436	931	SPCL SHIPMENTS	4,327
231	RUBBER CRUDE SYN	341,992	665	GLASSWARE	193,336	¹ Exclusive of Special Category commodities		
241	FUELWOOD CHRCAOL	597	666	POTTERY	570	Source: U.S. Dept. of Commerce		
243	WOOD SHAPED ETC	72,851	667	GEMS ETC	15,718,765	U.S. Exports, 1964		
251	PULP WASTEPAPER	55,218	671	PIG IRON ETC	7,320			
262	WOOL AND HAIR	1,420	672	PRIMRY STEEL ETC	9,721			
263	COTTON	16,722,774	673	SHAPED IRON STL	27,627			
266	ART SYNTH FIBRES	229,631	674	PLATED IRON STL	1,632,578			
267	TEXTILE WASTE	171,597	675	HOOP STRIP	79,875			
271	FERTILIZER CRUDE	9,184	677	WIRE IRON STEEL	45,383			
273	STONE SAND GRAVL	3,892	678	PIPES IRON STL	38,618			
274	SULPHUR ETC	3,836	681	SILVER ETC METAL	24,589			
275	ABRASIVES NATRL	81,203	682	COPPER	68,133			
276	MINERALS CRD NES	83,845	683	NICKEL	109,451			
282	SCRAP IRON STEEL	260,803	684	ALUMINIUM	1,840,895			
283	ORES B METAL NES	30,101	685	LEAD	26,103			
284	SCRAP METAL NES	8,139	686	ZINC	27,087			
286	URANIUM ETC ORES	92,992	687	TIN	6,327			
291	ANIMAL MATTR NES	251,149	689	BASE METAL NES	15,898			
292	VEG MATTER NES	2,712,720	691	CONSTR METAL	220,935			
			692	CONTAINERS METAL	50,793			
			693	WIRE PROD NONEL	27,158			

MARKET PROFILE - JAPAN

Japan, located off the eastern coast of Asia, is comprised of four large islands. The largest island, and by far the most important economically, is Houshu in the center of the archipelago. To the south and southwest lie Kyushu and Shikoku, and on the north Hokkaido, the least developed of the islands.

People

The October, 1964, population estimate was 96.6 million with a 1% annual increase. The capitol and commercial center is Tokyo, population 10.6 million. The chief port is Yokohama and Osaka is a major manufacturing center.

Japanese is the official language but English is widely used in international commerce.

The June, 1964, labor force totaled 48 million persons, of which 400,000 were unemployed. Manufacturing accounts for 11.6 million workers and services (including Government), 7.5 million. Basic wages have nearly doubled in the past decade.

Economy

Japan enjoys the most highly advanced oriental economy, after an amazingly rapid recovery from total destruction in World War II. In some respects the devastation was beneficial, in that Japanese industry was able to utilize the most efficient production technique available for reconstruction.

Due to an increasing desire for western products and production management by Japanese consumers and industry, they have become the major overseas business partner of the U.S. (excluding North America).

Japan's GNP increased by 12% in 1963, and by 9.4% to \$95 billion in

1964. However, after a long period of economic growth, the Japanese economy has been showing signs of a slow down. The major problems have been inflationary pressures and a recurring balance-of-payments problem. These difficulties are typical of many nations with a high rate of economic growth. A shortage of workers is resulting in rising labor costs, but productivity increases continue to exceed wage boosts.

All things considered, the Japanese economy is still healthy and is expected to continue to expand at a moderate rate despite problems. The rate of economic expansion is expected to remain relatively high.

The dominant features of agriculture in Japan are the relatively small proportion of arable land (16%) and the poor natural fertility of the soil. The average farm is about two acres. However, with various innovations, Japan is able to raise about 80% of its food requirements. Major crops are rice, wheat, barley and potatoes.

Japan is dependent upon agricultural imports to supplement its food requirements and provide raw materials for its industrial economy. In 1960, food stuffs and crude materials accounted for 72.4% of Japan's total imports. Major agricultural imports were cotton, wheat, sugar, soybeans, hides and corn.

Manufacturing is concentrated primarily in the Tokyo-Yokohama and Kobe-Osaka areas on the island of Houshu. Japan leads the world in shipbuilding, is second in sales of electrical products, third in steel production, and fifth in automobiles.

Railroads are the main domestic carrier, as the highway system is inadequate. Japan's merchant fleet is the world's fifth largest. The government operates

some of the radio and television stations and all of the telephone and telegraph systems.

Foreign Trade

<u>Imports</u>	<u>Total</u>	<u>From U.S.</u>
Fiscal 1964	\$7,938 million	\$2,336 million
Fiscal 1963	\$7,200 million	\$2,246 million

The U.S. supplied 31.2% in 1963 and 29% in 1964, of Japan's total imports.

Japan's chief imports from the U.S. are grains, scrap metals, cotton, industrial machinery, soybeans, coal, logs, organic chemicals, petroleum, calculating machines, aircraft and engines, and chemical wood pulp.

Additional trade opportunities exist for air conditioners, dehumidifiers, animal husbandry equipment, special production equipment and foodstuffs. U.S. exports are expected to continue to grow, but competition is rising from domestic and Australian producers.

Iowa exports to Japan totaled \$52.3 million in 1963, and consisted of: Soybeans, \$20 million; corn, \$17 million; manufactured goods, \$1 million; hides and skins, \$7 million; meat products, \$2 million; machinery, \$1 million; animal feeds, \$1 million; and metal scrap, \$1 million.

Limited import controls exist to protect certain weaker domestic industrial sectors until they become competitive with imported goods.

Over 90% of Japan's import trade has been liberalized, as regards the U.S., and imports may be made under procedures which assume automatic licensing. Where specific import licenses are required, an import quota system applies. Advance deposits ranging from 1 to 35% are necessary in order to obtain import li-

censes on specified goods.

Import licenses are usually valid for six months, and imported goods must be cleared through customs in that time.

A revised customs tariff, entirely ad valorem, exists. Duties range from 5% to a duty on certain tobacco of 355%. Most duties are from 10 to 30%, and a number of essential products are duty free.

Machinery used in industries contributing to the attainment of economic self-support of Japan, is duty free.

The value for duty is defined in the Customs Tariff as the price at which an article is offered for sale in the exporting country, in the usual wholesale quantities and in the ordinary course of trade (excluding internal excise taxes to be remitted or rebated) plus ordinary expenses prior and incidental to the loading of such article on board the vessel at the port of export and ordinary freight as well as ordinary insurance covering the transportation of such article to the port of entry.

Finance

Japanese currency is the yen. There are 360 to one U.S. dollar (360 yen = US\$1).

The balance of payments has suffered periodic adverse balances which have been temporarily corrected by a tight money policy. Gold and foreign exchange reserves as of January, 1965, were \$2,027 million.

UNITED STATES EXPORTS OF DOMESTIC MERCHANDISE TO JAPAN, 1964

Continent, country of destination and SITC section description		Value (dollars)	Continent, country of destination and SITC section description		Value (dollars)	Continent, country of destination and SITC section description		Value (dollars)
SITC group code	SITC group description		SITC group code	SITC group description		SITC group code	SITC group description	
JAPAN TOTAL ¹		1,893,704,630*	SECT. 3 MINERAL FUELS, LUBRICANTS & MAT		140,407,765*	685	LEAD	121,894
SECT. 0 FOOD AND LIVE ANIMALS		336,721,767*	321	COAL COKE ETC	65,740,078	686	ZINC	327,908
002	ANIMALS FOR FOOD	1,718,775	331	PETROLEUM CR ETC	2,206,461	688	URANIUM THORIUM	199,235
003	LIVE ANIMALS NES	516,687	332	PETROLEUM PRODS	72,314,840	689	BASE METAL NES	1,751,862
011	MEAT FRESH NES	5,651,399	341	GAS NTRL MFD	146,386	691	CONSTR METAL	312,971
012	MEAT DRIED ETC	3,878	SECT. 4 ANIMAL & VEGETABLE OILS & FATS		36,397,983*	692	CONTAINERS METAL	312,374
013	MEAT CANNED ETC	927,441	411	ANIMAL OILS FATS	32,576,180	693	WIRE PROD NONEL	420,203
022	MILK AND CREAM	8,968,985	421	VEG OIL SOFT	322,143	694	NAILS BOLTS ETC	257,317
024	CHEESE AND CURD	85,949	422	VEG OIL OTHER	90,370	695	HAND TOOLS ETC	1,128,347
025	EGGS	52,562	431	OIL FAT PROC NES	3,409,290	696	CUTLERY	319,961
031	FISH FRESH ETC	6,586,072	SECT. 5 CHEMICALS		193,079,486*	697	HOUSE WARES METL	1,352,826
032	FISH PRESERVED	1,109,174	512	ORG CHEMICALS	51,757,512	698	METAL MFS NES	3,289,770
041	WHEAT UNMILLED	108,127,140	513	GASEOUS CHEM EL	6,467,106	SECT. 7 MACHINERY & TRANSPORT EQUIPMNT		331,797,203*
042	RICE	12,510,288	514	INORG CHEM NES	2,428,441	711	POWER MACH NES	17,215,826
043	BARLEY UNMILLED	15,763,501	515	RADIOACT ETC MAT	363,817	712	AGRICULTURE MACH	5,469,843
044	MAIZE UNMILLED	89,325,564	521	TAR CR COAL CHEM	13,611,990	714	OFFICE MACHRY	73,983,736
045	CEREAL UNM NES	35,823,807	531	SOALTAR DYES ETC	2,302,367	715	METALWRKING MACH	47,622,916
046	WHEAT FLOUR ETC	1,898,119	532	DYE TANNING EXTR	65,403	717	TEXTILE ETC MACH	11,712,335
047	FLOUR ETC NES	16,355	533	PAINTS ETC	3,903,893	718	MACH FR SPEC INO	11,372,368
048	CEREAL PREPS	662,234	541	DRUGS ETC	18,585,737	719	MACHINERY NES	60,325,531
051	FRUIT NUTS FRESH	7,184,376	551	ESSENTIAL OILS	5,320,816	722	ELEC POWER MACH	20,775,092
052	DRIED FRUIT	5,135,971	553	PERFUME COSMETIC	1,034,314	723	ELEC DISTRIB MAC	488,012
053	FRUIT PREP PRES	1,832,531	554	SOAP DETRGT ETC	2,310,469	724	TELECOM EQUIPMNT	12,275,480
054	VEG FRESH DRY	1,114,516	561	FERTILIZERS MFD	12,361,083	725	DMSTC ELEC EQUIP	959,843
055	VEG PREP PRES	597,418	571	EXPLOSIVES ETC	48,396	726	ELEC MEDICAL EQU	679,000
061	SUGAR AND MONEY	755,827	581	PLASTIC MATERIAL	21,604,888	729	ELEC MACH NES	26,190,883
062	SUGAR PREPS CONF	355,069	599	CHEM MAT PRD NES	50,913,254	731	RAILWAY VEHICLES	62,145
071	COFFEE	15,544,306	SECT. 6 MFROD GOODS CLSFD CHFLY BY MAT		65,532,178*	732	RAILWAY MOTOR VEH	11,837,104
072	COCOA	197,373	611	LEATHER	912,950	733	ROAD VEH NES	158,598
073	CHOCOLTE AND PREP	331,454	612	MFS LEATHER ETC	25,545	734	ROAD VEH NES	29,661,045
074	TEA AND MATE	269,594	613	FURS DRESSED ETC	107,424	735	AIRCRAFT	1,027,446
075	SPICES	115,249	621	RUBBER SEMIFNSHD	564,660	SECT. 8 MISC MANUFACTURED ARTICLES		63,317,678*
081	FODDER NES	11,740,909	629	RUBBER MFD NES	2,175,218	812	BLOG FIXTURES	1,946,751
091	MARGARINE ETC	229,928	631	VENEER PLYWD ETC	241,672	821	FURNITURE ETC	487,704
099	FOOD PREP NES	1,569,316	632	WOOD MFS NES	839,434	831	HANDBAGS ETC	286,452
SECT. 1 BEVERAGES AND TOBACCO		34,585,775*	633	CORK MFS	1,130	841	CLOTHES NOT FUR	1,417,958
111	BEVERAGES NONALC	8,769	641	PAPER PAPERBOARD	6,062,428	842	FUR CLOTHES ETC	27,734
112	BEVERAGES ALC	78,459	642	PAPER ETC MFS	1,790,497	851	FOOTWEAR	125,982
121	TOBACCO UNMFD	31,690,146	651	YARN THREAD	1,238,379	861	INSTRUMENTS ETC	15,131,865
122	TOBACCO MFS	2,808,401	652	COTTON FABRICS	417,022	862	PHOTO GOODS	10,539,506
SECT. 2 CRUDE MTRLS, INEDIBLE EX FUELS		688,101,037*	653	MISCEL FABRICS	1,209,495	863	DEVD MOVIE FILM	1,646,187
211	HIDES CRUDE	28,243,953	654	RIBBONS ETC	75,480	864	WATCHES CLOCKS	1,435,663
212	FUR SKINS CRUDE	316,843	655	SPECIAL FABRICS	931,847	891	MUSIC INSTRU ETC	4,188,129
221	OIL SEEDS ETC	148,025,117	656	MADEUP TEXTILES	790,912	892	PRINTED MATTER	7,280,801
231	RUBBER CRUDE SYN	23,700,048	657	RUGS LINO ETC	115,465	893	PLASTIC MFS NES	2,217,014
242	WOOD ROUND ETC	54,323,088	661	LIME CEMENT ETC	184,785	894	TOYS ETC	8,335,335
243	WOOD SHAPED ETC	8,844,592	662	BRICKS TILES ETC	738,089	895	STATIONERY	2,672,454
251	PULP WASTEPAPER	48,744,914	663	MINERAL MFS NES	2,934,476	896	ART WORKS ETC	696,803
261	SILK	14,113	664	GLASS	1,075,650	897	GOLD SILVR WARES	2,757,868
262	WOOL AND HAIR	708,285	665	GLASSWARE	1,722,837	899	MFD GOODS NES	2,083,472
263	COTTON	136,204,515	666	POTTERY	33,873	SECT. 9 COMMODITIES NOT CLSFD BY KIND		3,763,758*
265	VEG FIBRES NES	3,137	667	GENS ETC	2,949,495	931	SPCL SHIPMENTS	3,763,758
266	ART SYNTH FIBRES	605,907	671	PIG IRON ETC	2,860,062	¹ Exclusive of Special Category commodities		
267	TEXTILE WASTE	1,177,213	672	PRIMRY STEEL ETC	1,161,367	Source: U.S. Dept. of Commerce;		
271	FERTILIZER CRUDE	16,019,491	673	SHAPES IRON STL	487,794	U.S. Exports, 1964		
273	STONE SAND GRAVL	231,273	674	PLATES IRON STL	916,617			
274	SULPHUR ETC	7,331	675	HOOP STRIP	168,384			
275	ABRASIVES NATRL	2,497,529	676	RY RAILS ETC	5,588			
276	MINERALS CRD NES	5,414,962	677	WIRE IRON STEEL	62,869			
281	IRON ORE ETC	20,246,724	678	PIPES IRON STL	1,046,352			
282	SCRAP IRON STEEL	120,466,093	679	CASTINGS IRN STL	59,070			
283	ORES B METAL NES	10,120,369	681	SILVER ETC METAL	3,197,729			
284	SCRAP METAL NES	52,394,598	682	COPPER	14,418,380			
286	URANIUM ETC ORES	80,744	683	NICKEL	930,574			
291	ANIMAL MATTR NES	6,680,417	684	ALUMINIUM	3,283,961			
292	VEG MATTER NES	3,029,781						

MARKET PROFILE - THE PHILIPPINES

On July 4, 1946, the Philippines became an independent country, and the new Philippine Republic was formally inaugurated.

The Philippine archipelago is divided into some 7,100 individual islands and islets, with a total estimated area of about 115,707 square miles. The two largest islands are Mindanao and Luzon.

Manila, on Luzon Island, is the principal port and commercial center, Quezon City, northeast of Manila is the new capital.

People

Estimated 1963 population was 31 million, of predominantly Malay origin, with Chinese being the largest minority group. The rate of growth is 3.3% a year.

English, Spanish and Filipino are the primary languages. English, which is spoken by 40% of the population, is used in commercial circles.

The Philippines have a well developed system of free public education which has resulted in a 75% literacy rate.

The labor force of eleven million persons is growing by 300,000 annually. Underemployment and unemployment are quite high.

Economy

The overall economic progress of the Philippines was encouraging during 1964 with a 5% increase in GNP to \$4.3 billion. Prospects for continued growth during the balance of 1965 appear mixed. In the public sector, economic programming and development expenditures are somewhat subordinated to politics during this Presidential election year. The private sector continues to exhibit vigorous

growth despite a tight credit situation.

The Philippine Central Bank is following a tight credit policy to curtail inflationary pressures which may increase as a result of higher minimum wage scales signed into law in April, 1965. However, assuming continued control over inflation, the increased demand for goods generated by higher wages may stimulate the private sector.

Agriculture accounts for 24% of the national income and 59% of total employment. Rice and corn are the principal crops. Agricultural productivity lags behind other Asian nations.

The industrial sector is growing rapidly, accounting for 20% of the GNP in 1963. Philippine industry consists primarily of finishing operations and light non-durable goods production. Food processing accounted for 42% of manufacturing production in 1963.

Transportation facilities are generally inadequate for the needs of the economy. The 1,150 miles of railroads are confined to Luzon Island. Only about one-fourth of the roads are paved. Major cities have domestic airline service and coastal shipping serves the 350 ports. The Port of Manila handles 85-90% of the imports, resulting in frequent cargo congestion.

Telephone service extends to all principal islands and the radio network serves the entire Philippines. TV stations are located in Manila, Bacolod and Cebu.

Foreign Trade

<u>Imports</u>	<u>Total</u>	<u>From U.S.</u>
1964	\$868 million	\$347 million
1963	\$618 million	\$243 million

The U.S. share was 41% in 1963 and 40% in 1964. Important Philippine imports include machinery, transport equipment, raw cotton, wheat, base metals, chemicals, plastics and crude petroleum.

Imports are regulated by tariffs and taxes rather than licensing controls. Philippine policy, seeking to diversify its trading base, is gradually phasing-out preferential market access with the U.S.

Long term trade prospects are good, especially in machinery and equipment and chemical items. However, 1965 U.S. exports to the Philippines are expected to fall below the record 1964 level. Export categories showing the best progress during 1964 included machinery and equipment, wheat, textile waste materials, chemical elements and compounds, plastic materials, crude and synthetic rubber, paper and paperboard, iron and steel mill products, and professional and scientific equipment.

Declines were reported in dairy products, newsprint, textile yarns and fabrics.

Finance

Following devaluation of the peso in 1962, the exchange rate has steadied at 3.9 pesos to one U.S. dollar (P3.9=US\$1). The money supply totals 2,700 million pesos.

Exchange for authorized imports is issued in accordance with regulations of the Central Bank. An import tax of 1.7% is levied, but this tax is scheduled to be eliminated on January 1, 1966.

The Philippine reserve position is relatively weak at slightly more than \$100 million.

UNITED STATES EXPORTS OF DOMESTIC MERCHANDISE TO PHILLIPINES, 1964

Continent, country of destination and SITC section description		Value (dollars)	Continent, country of destination and SITC section description		Value (dollars)	Continent, country of destination and SITC section description		Value (dollars)
SITC group code	SITC group description		SITC group code	SITC group description		SITC group code	SITC group description	
PHILIPPINES TOTAL ¹		356,496,503*	SECT. 3 MINERAL FUELS, LUBRICANTS & MAT		6,697,063*	689 BASE METAL NES		43,27
SECT. 0 FOOD AND LIVE ANIMALS		41,795,571*	321	COAL COKE ETC	37,028	691	CONSTR METAL	603,46
002	ANIMALS FOR FOOD	152,346	332	PETROLEUM PRODS	6,660,035	692	CONTAINERS METAL	283,95
003	LIVE ANIMALS NES	226,236	SECT. 4 ANIMAL & VEGETABLE OILS & FATS		1,739,223*	693	WIRE PROD NONEL	548,13
011	MEAT FRESH NES	137,973	411	ANIMAL OILS FATS	1,442,274	694	NAILS BOLTS ETC	402,21
012	MEAT DRIED ETC	36,038	421	VEG OIL SOFT	41,425	695	HAND TOOLS ETC	2,834,53
013	MEAT CANNED ETC	492,778	422	VEG OIL OTHER	46,069	696	CUTLERY	165,93
022	MILK AND CREAM	5,419,345	431	OIL FAT PROC NES	209,455	697	HOUSE WARES METL	341,65
023	BUTTER	24,774	SECT. 5 CHEMICALS		31,484,979*	698	METAL MFS NES	3,993,31
024	CHEESE AND CURD	153,329	512	ORG CHEMICALS	2,390,872	SECT. 7 MACHINERY & TRANSPORT EQUIPMNT		138,564,27
025	EGGS	16,600	513	GASEOUS CHEM EL	2,761,535	711	POWER MACH NES	6,380,19
031	FISH FRESH ETC	2,125	514	INORG CHEM NES	1,241,583	712	AGRICULTURE MACH	11,076,66
032	FISH PRESERVED	1,038,671	515	RADIACCT ETC MAT	7,513	714	OFFICE MACHRY	3,725,72
041	WHEAT UNMILLED	10,162,336	521	TAR CR COAL CHEM	142,163	715	METALWRKING MACH	1,560,83
042	RICE	11,285,696	531	COALTAR DYES ETC	571,190	717	TEXTILE ETC MACH	2,846,33
043	BARLEY UNMILLED	1,843	532	DYE TANNING EXTR	40,964	718	MACH FR SPEC IND	19,542,80
044	MAIZE UNMILLED	24,451	533	PAINTS ETC	1,259,553	719	MACHINERY NES	33,618,00
045	CEREAL UNM NES	47,892	541	DRUGS ETC	6,355,629	722	ELEC POWER MACH	8,208,78
046	WHEAT FLOUR ETC	965,027	551	ESSENTIAL OILS	2,136,855	723	ELEC DISTRIB MACH	1,100,57
047	FLOUR ETC NES	369,535	554	PERFUME COSMETIC	187,167	724	TELECOM EQUIPMNT	4,428,81
048	CEREAL PREPS	1,735,404	555	SOAP DETRGNT ETC	1,417,420	725	DMSTC ELEC EQUIP	1,239,99
051	FRUIT NUTS FRESH	1,215,491	561	FERTILIZERS MFD	1,394,351	726	ELEC MEDICAL EQU	324,39
052	DRIED FRUIT	650,512	571	EXPLOSIVES ETC	4,004,546	729	ELEC MACH NES	5,465,26
053	FRUIT PREP PRES	1,399,942	581	PLASTIC MATERIAL	6,797,287	731	RAILWAY VEHICLES	676,26
054	VEG FRESH DRY	566,919	599	CHEM MAT PRD NES	78,729,432*	732	ROAD MOTOR VEH	36,007,45
055	VEG PREP PRES	1,137,027	611	LEATHER	3,435,813	733	ROAD VEH NES	432,74
061	SUGAR AND HONEY	53,865	612	MFS LEATHER ETC	2,010,729	734	AIRCRAFT	1,882,93
062	SUGAR PREPS CONF	914,015	621	RUBBER SEMIFNSHD	77,164	735	SHIPS AND BOATS	46,507
062	SUGAR PREPS CONF	53,865	629	RUBBER MFD NES	2,565,424	SECT. 8 MISC MANUFACTURED ARTICLES		15,274,13
071	COFFEE	60,239	631	ENEER PLYWD ETC	36,391	812	BLDG FIXTURES	1,414,457
072	COCOA	594,216	632	WOOD MFS NES	91,725	821	FURNITURE ETC	169,977
073	CHOCLTE AND PREP	928,967	633	CORK MFS	10,351	831	HANDBAGS ETC	25,232
074	TEA AND MATE	42,145	641	PAPER PAPERBOARD	12,299,841	841	CLOTHES NOT FUR	420,07
075	SPICES	104,694	642	PAPER ETC MFS	1,679,241	842	FUR CLOTHES ETC	283,085
081	FOODER NES	819,913	651	YARN THREAD	4,309,287	851	FOOTWEAR	170,687
091	MARGARINE ETC	6,533	652	COTTON FABRICS	13,528,071	861	INSTRUMENTS ETC	2,427,34
099	FOOD PREP NES	999,694	653	MISCEL FABRICS	8,703,156	862	PHOTO GOODS	1,388,89
SECT. 1 BEVERAGES AND TOBACCO		759,768*	654	RIBBONS ETC	419,966	863	DEVD MOVIE FILM	386,293
111	BEVERAGES NONALC	8,410	655	SPECIAL FABRICS	1,149,100	864	WATCHES CLOCKS	79,076
112	BEVERAGES ALC	40,426	656	MADEUP TEXTILES	3,131,355	891	MUSIC INSTRU ETC	762,797
121	TOBACCO UNMFD	504,125	657	RUGS LINO ETC	246,422	892	PRINTED MATTER	3,290,562
122	TOBACCO MFS	206,807	661	LIME CEMENT ETC	189,694	893	PLASTIC MFS NES	395,444
SECT. 2 CRUDE MTRLS; INEDIBLE EX FUELS		33,323,800*	662	BRICKS TILES ETC	739,257	894	TOYS ETC	784,259
211	HIDES CRUDE	295,298	663	MINERAL MFS NES	1,851,172	895	STATIONERY	894,415
221	OIL SEEDS ETC	570,425	664	GLASS	379,230	896	ART WORKS ETC	3,705
231	RUBBER CRUDE SYN	2,837,451	665	GLASSWARE	1,091,968	897	GOLD SILVR WARES	207,396
242	WOOD ROUND ETC	18,370	666	POTTERY	5,563	899	MFD GOODS NES	2,170,436
243	WOOD SHAPED ETC	194,961	667	GENS ETC	240	SECT. 9 COMMODITIES NOT CLSFD BY KIND		8,128,255
251	PULP WASTEPAPE	2,509,353	671	PIG IRON ETC	13,175	931	SPCL SHIPMENTS	8,128,255
261	SILK	8,010	672	PRIMRY STEEL ETC	963	¹ Exclusive of Special Category commodities.		
262	WOOL AND HAIR	11,349	673	SHAPES IRON STL	3,941,476			
263	COTTON	15,370,095	674	PLATES IRON STL	2,193,922			
265	VEG FIBRES NES	1,307	675	HOOP STRIP	295,006			
266	ART SYNTH FIBRES	664,011	676	RY RAILS ETC	83,787			
267	TEXTILE WASTE	8,809,120	677	WIRE IRON STEEL	63,710			
271	FERTILIZER CRUDE	377,694	678	PIPES IRON STL	1,411,155			
273	STONE SAND GRAVL	34,247	679	CASTINGS IRN STL	559,775			
274	SULPHUR ETC	67,005	681	SILVER ETC METAL	38,050			
275	ABRASIVES NATRL	185,010	682	COPPER	290,133			
276	MINERALS CRD NES	329,819	683	NICKEL	44,236			
281	IRON ORE ETC	316	684	ALUMINIUM	2,209,101			
282	SCRAP IRON STEEL	333,542	685	LEAD	107,947			
283	ORES B METAL NES	31,920	686	ZINC	267,653			
284	SCRAP METAL NES	85,542	687	TIN	51,711			
291	ANIMAL MATTR NES	113,613						
292	VEG MATTER NES	475,742						

Source: U.S. Dept. of Commerce
U.S. Exports, 1964

MARKET PROFILE - TAIWAN

Taiwan (Formosa) is an island off the east coast of China under Nationalist China's control. The province consists of 14 islands comprising 13,837 square miles.

People

The population of Taiwan was 12 million in 1964 and has been growing at 3.5% a year. The capital city is Taipei, population 1,030,000. Principal seaports are Kaohsiung, population 520,000, and Keelung, population 260,000.

Mandarin is the official language, although a southern Fukien dialect is used by most of the people. Some Japanese and English are also used.

Elementary education is free and compulsory, followed by secondary or vocational school for qualified graduates. The literacy rate is over 75%.

Taiwan's labor force is approximately 4 million persons.

Economy

Taiwan's economic future has never looked brighter. Phase-out of the U.S. economic aid testifies to the nation's economic progress and is not expected to significantly affect total movement of goods from the U.S.

Gross national product continues to increase, rising by 10% to 2.1 billion in 1964. The Chinese Government has taken steps to ensure continued economic growth and expansion. It has established the island's duty-free export processing zone at Kaohsiung at the southern end of Taiwan.

Taiwan's economy is still based primarily on agriculture, although manufacturing is becoming an increasingly important sector. The principal crops include rice, sugarcane, bananas, mushrooms, and citrus fruits. Agricultural production

is growing at about 4% a year and accounts for 29% of the Net National Product.

Industrial production is growing at 14% a year and accounts for about 20% of NNP. Although the Central Government monopolizes the major industries of sugar, petroleum, fertilizer, and power, small-scale private enterprises account for 70% of total industrial production.

Local commerce is mainly through small shopkeepers and vendors. Prices are generally stable despite growth of the money supply.

Rail and highway facilities are well developed. Two harbors accommodate 20,000 ton vessels. Local airlines operate in Taiwan and the island is served by international carriers.

Well developed postal and communications facilities are operated by the government. Electric power is abundant and coal and petroleum or gas fuel is also available.

Foreign Trade

<u>Imports</u>	<u>Total</u>	<u>From U.S.</u>
1964	\$418 million	\$146 million
1963	\$337 million	\$138 million

Principal suppliers were the U.S. (35%) and Japan (33%). Primary imports from the U.S. included raw cotton, machinery and equipment, petroleum and other chemical products, wood, electronics, iron and steel bars, rods and slabs, soybeans, wheat and communication equipment.

A U.S. trade mission to Taiwan in March, 1965, to counteract phase-out of U.S. aid reported a number of promising opportunities for trade; industrial air-conditioning and refrigeration equipment; textile machinery; metal working and wood working tools; small hoists and wrenches; small powered hand tools;

packaging equipment; scientific and quality control equipment; injection molding equipment for plastics; color printing equipment; irrigation piping and pumps; office equipment and supplies; chemical raw materials; agricultural chemicals; small sized fertilizer spreaders; feed grains; supplements and additives; and breeding stock for hogs and poultry. In some cases it was emphasized that lower prices and more liberal credit terms are necessary to compete with other foreign suppliers.

All merchandise imported into China, otherwise than by parcel post must be accompanied by consular invoices, if valued at or above \$250 U.S. Currency, f.o.b. port of shipment. However, Chinese Consulates are not authorized to legalize documents for Communist-controlled ports.

The duty-paying value of any import liable to ad valorem duty shall be determined on the basis of the goods at the port of importation.

Finance

The unit of currency is the New Taiwan dollar which is equal to 2 1/2 cents (NT\$40=US\$1). The money supply in December of 1964 was \$316 million, 24% above December of 1963.

The exchange certificate system was abolished on September 30, 1963. Importers make applications for foreign exchange allocations, and when granted they may buy the exchange at the official selling rate of 40.10 Taiwan dollars to the U.S. dollar. Most imports from the U.S. are paid for by letter of credit.

UNITED STATES EXPORTS OF DOMESTIC MERCHANDISE TO TAIWAN (FORMOSA), 1964

Continent, country of destination and SITC section description		Value (dollars)	Continent, country of destination and SITC section description		Value (dollars)	Continent, country of destination and SITC section description		Value (dollars)
SITC group code	SITC group description		SITC group code	SITC group description		SITC group code	SITC group description	
TAIWAN (FORMOSA) TOTAL ¹		145,364,383*	SECT. 5 CHEMICALS		11,956,450*	SECT. 7 MACHINERY & TRANSPORT EQUIPMT		23,051,599
SECT. 0 FOOD AND LIVE ANIMALS		22,232,721*	512	ORG CHEMICALS	2,257,691	711	POWER MACH NES	4,129,038
002	ANIMALS FOR FOOD	76,087	513	GASEOUS CHEM EL	308,200	712	AGRICULTURE MACH	460,360
003	LIVE ANIMALS NES	25,577	514	INORG CHEM NES	400,833	714	OFFICE MACHRY	328,275
022	MILK AND CREAM	1,239,533	515	RADIOACT ETC MAT	1,609	715	METALWRKING MACH	607,721
025	EGGS	1,008	521	TAR CR COAL CHEM	54,394	717	TEXTILE ETC MACH	595,555
032	FISH PRESERVED	392	531	COALTAR DYES ETC	47,693	718	MACH FR SPEC IND	3,291,404
041	WHEAT UNMILLED	17,461,821	532	DYE TANNING EXTR	8,767	719	MACHINERY NES	7,311,397
044	MAIZE UNMILLED	444,674	533	PAINTS ETC	247,586	722	ELEC POWER MACH	1,667,761
046	WHEAT FLOUR ETC	1,374,143	541	DRUGS ETC	786,185	723	ELEC DISTRIB MAC	161,476
047	FLOUR ETC NES	33,264	551	ESSENTIAL OILS	88,189	724	TELECOM EQUIPMT	1,016,496
048	CEREAL PREPS	468,445	553	PERFUME COSMETIC	6,238	725	DMSTC ELEC EQUIP	101,067
051	FRUIT NUTS FRESH	1,528	554	SOAP DEFRANT ETC	258,100	726	ELEC MEDICAL EQU	97,976
052	DRIED FRUIT	277,341	561	FERTILIZERS MFD	1,011,300	729	ELEC MACH NES	2,193,038
053	FRUIT PREP PRES	2,742	571	EXPLOSIVES ETC	4,873	731	RAILWAY VEHICLES	11,435
054	VEG FRESH DRY	155,240	581	PLASTIC MATERIAL	3,108,442	732	ROAD MOTOR VEH	804,979
055	VEG PREP PRES	36,101	599	CHEM MAT PRD NES	3,365,723	733	ROAD VEH NES	1,722
061	SUGAR AND HONEY	1,434	SECT. 6 MFRD GOODS CLSFD CHFLY BY MAT		14,107,326*	734	AIRCRAFT	66,500
062	SUGAR PREPS CONF	1,232	611	LEATHER	2,136	735	SHIPS AND BOATS	105,399
071	COFFEE	30,469	612	MFS LEATHER ETC	556	SECT. 8 MISC MANUFACTURED ARTICLES		2,106,862
072	COCOA	7,956	621	RUBBER SEMIFNSHD	11,104	812	BLDG FIXTURES	136,440
081	FODDER NES	12,783	629	RUBBER MFD NES	879,025	821	FURNITURE ETC	47,326
091	MARGARINE ETC	178,682	632	WOOD MFS NES	10,652	831	HANDBAGS ETC	1,485
099	FOOD PREP NES	402,269	641	PAPER PAPERBOARD	397,757	841	CLOTHES NOT FUR	14,454
SECT. 1 BEVERAGES AND TOBACCO		1,603,799*	642	PAPER ETC MFS	81,185	842	FUR CLOTHES ETC	1,165
112	BEVERAGES ALC	14,207	651	YARN THREAD	55,344	861	INSTRUMENTS ETC	1,287,150
121	TOBACCO UNMFD	1,585,923	652	COTTON FABRICS	4,485	862	PHOTO GOODS	145,202
122	TOBACCO MFS	3,669	653	MISCEL FABRICS	41,753	863	DEVD MOVIE FILM	49,350
SECT. 2 CRUDE MTRLS; INEDIBLE EX FUELS		56,032,638*	654	RIBBONS ETC	6,191	864	WATCHES CLOCKS	15,340
211	HIDES CRUDE	482,889	655	SPECIAL FABRICS	8,926	891	MUSIC INSTRU ETC	94,189
221	OIL SEEDS ETC	21,150,749	656	MADEUP TEXTILES	159,458	892	PRINTED MATTER	99,627
231	RUBBER CRUDE SYN	300,912	657	RUGS LINO ETC	2,101	893	PLASTIC MFS NES	10,260
242	WOOD ROUND ETC	1,906	661	LIME CEMENT ETC	41,217	894	TOYS ETC	10,865
243	WOOD SHAPED ETC	681	662	BRICKS TILES ETC	58,276	895	STATIONERY	68,152
251	PULP WASTEPAPER	2,540,051	663	MINERAL MFS NES	167,081	896	ART WORKS ETC	900
262	WOOL AND HAIR	2,270	664	GLASS	12,228	897	GOLD SILVR WARES	15,527
263	COTTON	25,034,377	665	GLASSWARE	33,319	899	MFD GOODS NES	109,430
266	ART SYNTH FIBRES	256,763	666	POTTERY	750	SECT. 9 COMMODITIES NOT CLSFD BY KIND		5,121,172 ¹
273	STONE SAND GRAVL	5,398	667	GEMS ETC	7,269	931	SPCL SHIPMENTS	5,121,172
275	ABRASIVES NATRL	29,022	671	PIG IRON ETC	395,708	¹ Exclusive of Special Category commodities		
276	MINERALS CRD NES	73,854	672	PRIMRY STEEL ETC	4,773,269	Source: U.S. Dept. of Commerce;		
282	SCRAP IRON STEEL	5,750,718	673	SHAPES IRON STL	352,436	U.S. Exports, 1964		
283	ORES B METAL NES	930	674	PLATES IRON STL	2,165,049			
284	SCRAP METAL NES	161,557	675	HOOP STRIP	39,423			
291	ANIMAL MATTR NES	62,155	677	WIRE IRON STEEL	14,901			
292	VEG MATTER NES	178,406	678	PIPES IRON STL	1,381,646			
SECT. 3 MINERAL FUELS, LUBRICNTS & MAT		2,368,958*	679	CASTINGS IRN STL	26,133			
332	PETROLEUM PRODS	2,368,958	682	COPPER	172,776			
SECT. 4 ANIMAL & VEGETABLE OILS & FATS		6,782,858*	683	NICKEL	16,391			
411	ANIMAL OILS FATS	3,952,050	684	ALUMINIUM	376,865			
421	VEG OIL SOFT	1,755,718	685	LEAD	150,733			
431	OIL FAT PROC NES	1,075,090	686	ZINC	401,952			
			687	TIN	25,039			
			688	URANIUM THORIUM	835			
			689	BASE METAL NES	9,070			
			691	CONSTR METAL	698,444			
			692	CONTAINERS METAL	44,453			
			693	WIRE PROD NONEL	136,826			
			694	NAILS BOLTS ETC	97,954			
			695	HAND TOOLS ETC	520,257			
			696	CUTLERY	1,975			
			697	HOUSE WARE METL	26,774			
			698	METAL MFS NES	297,804			

MARKET PROFILE - THAILAND

The Kingdom of Thailand lies in Southeast Asia and covers about 200,000 square miles of the Indochinese peninsula. The name of the country which had long been Siam, was changed in 1939 to Thailand - "Land of the Free".

People

The population is nearly 30 million of mostly homogenous Thai stock with about 3.5 million of Chinese origin. Bangkok (population 2 million) is the largest city and major port.

Siamese is the spoken and written language, but English is in general use for commercial purposes.

Thailand's literacy rate is rapidly increasing, currently about 68% for those 10 years and older. Most leaders are educated or trained abroad.

The labor force, age 11 and up, was 13.8 million in 1960. Of this total, 11.4 million work in agriculture, fishing and forestry.

Economy

Thailand's economy is basically agricultural with about 85% of the working population employed in this field. Gross National Product was up to \$3.2 billion in 1964 and has been growing about 6% annually. Per capita income in 1964 was \$110 and is increasing at 3% a year. The reasons for the slow growth of industry are the lack of raw materials and energy fuels.

Leading crops are rice, rubber, corn, lac, tobacco, sugar, jute and kenaf. Rice accounts for over 35% of Thailand's exports. A program to encourage irrigation is underway to increase agricultural production.

Industries are small, but growing. Food processing and fabrication of

consumer products and building materials are the leading sectors. Manufacturing accounted for 12% of the 1963 GNP and has been growing about 9% annually. The government has initiated a Six-Year Plan to achieve diversification through gradual industrialization.

Tourism is the main method of earning foreign exchange in Thailand. This business is growing by 15% annually and drew 150,000 tourists in 1963.

Over one-half of goods are transported on rivers and canals. Modernization of a 2,200 mile railroad is underway along with improving and extending 8,000 miles of highways.

Communications are limited and underdeveloped. Bangkok has less than 30,000 telephone lines, but this system is being expanded. Thailand has 22 radio stations, 3 million receiving sets, 5 television stations, 120,000 TV sets, and several large movie theaters.

Foreign Trade

<u>Imports</u>	<u>Total</u>	<u>From U.S.</u>
1963	\$609.7 million	\$104 million
1962	\$547.8 million	\$93 million

Japan has 30% of the market and the U.S. 17%. Thailand's major imports include: petroleum products; iron and steel; motor vehicles; textiles; mining, construction, and industrial machinery; electrical machinery; dried milk; medicines and pharmaceuticals; and rubber manufacturers.

Commercial imports into Thailand are comparatively free from restrictions. Controls exist mainly for two reasons: (1) To exclude imports from Communist China, and (2) as a protection for domestically produced goods. Merchants generally maintain low inventories because of the high cost of financing.

Finance

The unit of currency is the baht, sometimes known as the tical. Par value is 20.80 bahts to the dollar (B20.80=US\$1). Thailand's money supply in September, 1964, was \$881 million.

Commercial credit is tight in Thailand in view of the relative shortage of capital. Commercial rates on domestic credit range from 12 to 15% annually while small, poorly secured loans cost 25 to 40%.

Exchange control approval for bona fide commercial transaction is given automatically. Foreign exchange reserves totaled over \$600 million in early 1965.

UNITED STATES EXPORTS OF DOMESTIC MERCHANDISE TO THAILAND, 1964

Continent, country of destination and SITC section description		Value (dollars)	Continent, country of destination and SITC section description		Value (dollars)	Continent, country of destination and SITC section description		Value (dollars)
SITC group code	SITC group description		SITC group code	SITC group description		SITC group code	SITC group description	
THAILAND TOTAL ¹		82,770,155*	SECT. 5 CHEMICALS		9,804,819*	714	OFFICE MACHRY	331,877
SECT. 0 FOOD AND LIVE ANIMALS		1,682,877*	512	ORG CHEMICALS	215,193	715	METALWRKNG MACH	859,511
002	ANIMALS FOR FOOD	9,919	513	GASEOUS CHEM EL	300,263	717	TEXTILE ETC MACH	62,559
003	LIVE ANIMALS NES	5,869	514	INORG CHEM NES	437,828	718	MACH FR SPEC IND	5,855,448
013	MEAT CANNED ETC	5,710	515	RADIOACT ETC MAT	1,252	719	MACHINERY NES	9,832,223
022	MILK AND CREAM	144,703	521	TAR CR COAL CHEM	91,889	722	ELEC POWER MACH	1,672,996
023	BUTTER	4,009	531	COALTAR DYES ETC	23,575	723	ELEC DISTRIB MAC	376,555
024	CHEESE AND CURD	2,204	533	PAINTS ETC	1,114,915	724	TELECOM EQUIPMNT	1,125,561
032	FISH PRESERVED	27,589	541	DRUGS ETC	2,377,942	725	DMSTC ELEC EQUIP	450,801
044	MAIZE UNMILLED	264	551	ESSENTIAL OILS	810,162	726	ELEC MEDICAL EQU	73,445
046	WHEAT FLOUR ETC	211,767	553	PERFUME COSMETIC	351,123	729	ELEC MACH NES	1,681,031
047	FLOUR ETC NES	31,454	554	SOAP DETRGNT ETC	702,311	731	RAILWAY VEHICLES	524,110
048	CEREAL PREPS	96,332	561	FERTILIZERS MFD	464,269	732	ROAD MOTOR VEH	4,653,641
051	FRUIT NUTS FRESH	19,347	571	EXPLOSIVES ETC	2,788	733	ROAD VEH NES	136,766
052	DRIED FRUIT	20,069	581	PLASTIC MATERIAL	491,708	734	AIRCRAFT	1,227,344
053	FRUIT PREP PRES	141,192	599	CHEM MAT PRD NES	2,419,601	735	SHIPS AND BOATS	20,621
055	VEG PREP PRES	188,016	SECT. 6 MFRD GOODS CLSFD CHFLY BY MAT		11,784,509*	SECT. 8 MISC MANUFACTURED ARTICLES		5,196,871
061	SUGAR AND HONEY	14,511	611	LEATHER	47,544	812	BLDG FIXTURES	303,613
062	SUGAR PREPS CONF	320,677	612	MFS LEATHER ETC	115,908	821	FURNITURE ETC	158,687
071	COFFEE	170,189	621	RUBBER SEMIFNSHD	9,042	831	HANDBAGS ETC	5,161
072	COCOA	3,634	629	RUBBER MFD NES	1,726,542	841	CLOTHES NOT FUR	704,927
073	CHOCLTE AND PREP	5,836	632	WOOD MFS NES	8,182	851	FOOTWEAR	9,259
074	TEA AND MATE	2,971	641	PAPER PAPERBOARD	1,567,723	861	INSTRUMENTS ETC	1,674,343
075	SPICES	3,018	642	PAPER ETC MFS	330,535	862	PHOTO GOODS	525,383
081	FODDER NES	24,670	651	YARN THREAD	562,278	863	DEVD MOVIE FILM	199,157
091	MARGARINE ETC	17,595	652	COTTON FABRICS	1,337,205	864	WATCHES CLOCKS	7,961
099	FOOD PREP NES	211,332	653	MISCEL FABRICS	789,266	891	MUSIC INSTRU ETC	280,710
SECT. 1 BEVERAGES AND TOBACCO		7,795,314*	654	RIBBONS ETC	13,441	892	PRINTED MATTER	384,250
112	BEVERAGES ALC	2,634	655	SPECIAL FABRICS	51,533	893	PLASTIC MFS NES	48,933
121	TOBACCO UNMFD	7,750,408	656	MADEUP TEXTILES	253,323	894	TOYS ETC	237,092
122	TOBACCO MFS	42,272	657	RUGS LINO ETC	72,173	895	STATIONERY	179,783
SECT. 2 CRUDE MTRLS; INEDIBLE EX FUELS		5,297,435*	661	LIME CEMENT ETC	11,733	897	GOLD SILVR WARES	71,955
211	HIDES CRUDE	5,400	662	BRICKS TILES ETC	3,927	899	MFD GOODS NES	405,657
231	RUBBER CRUDE SYN	155,045	663	MINERAL MFS NES	21,101	SECT. 9 COMMODITIES NOT CLSFD BY KIND		687,255
242	WOOD ROUND ETC	1,626	664	GLASS	238,216	931	SPCL SHIPMENTS	687,255
243	WOOD SHAPED ETC	19,320	665	GLASSWARE	1,249	¹ Exclusive of Special Category commodities		
251	PULP WASTE PAPER	1,004,665	666	POTTERY	20,383	Source: U.S. Dept. of Commerce		
263	COTTON	3,453,529	667	GEMS ETC	16,038	U.S. Exports, 1964		
266	ART SYNTH FIBRES	816	673	SHAPES IRON STL	1,098,466			
267	TEXTILE WASTE	3,335	674	PLATES IRON STL	860			
271	FERTILIZER CRUDE	756	676	RY RAILS ETC	3,319			
273	STONE SAND GRAVL	2,105	677	WIRE IRON STEEL	365,041			
274	SULPHUR ETC	131,454	678	PIPES IRON STL	12,639			
275	ABRASIVES NATRL	16,989	679	CASTINGS IRN STL	73,217			
276	MINERALS CRD NES	124,635	682	COPPER	6,028			
282	SCRAP IRON STEEL	236,925	683	NICKEL	521,085			
283	ORES B METAL NES	9,296	684	ALUMINIUM	6,468			
284	SCRAP METAL NES	1,421	685	LEAD	34,905			
292	VEG MATTER NES	130,118	686	ZINC	1,608			
SECT. 3 MINERAL FUELS; LUBRICNTS & MAT		2,324,064*	687	TIN	7,714			
332	PETROLEUM PRODS	2,305,045	689	BASE METAL NES	224,647			
341	GAS NTRL MFD	19,019	691	CONSTR METAL	152,691			
SECT. 4 ANIMAL & VEGETABLE OILS & FATS		31,357*	692	CONTAINERS METAL	314,666			
411	ANIMAL OILS FATS	6,618	693	WIRE PROD NONEL	131,678			
421	VEG OIL SOFT	1,373	694	NAILS BOLTS ETC	676,284			
422	VEG OIL OTHER	3,379	695	HAND TOOLS ETC	38,236			
431	OIL FAT PROC NES	19,987	696	CUTLERY	43,420			
			697	HOUSE WARES METL	501,091			
			698	METAL MFS NES				
			SECT. 7 MACHINERY & TRANSPORT EQUIPMNT		38,165,654*			
			711	POWER MACH NES	3,027,432			
			712	AGRICULTURE MACH	6,253,661			

SELECTED ECONOMIC DATA ON FAR EAST COUNTRIES

Country	Population (1,000)	Latest year avail.	Area (1,000 sq. mile)	Density (pop. per sq. mile)	GNP (millions of dollars)	Latest year avail.	GNP per capita (\$)
Japan	96,560	'64	142	680	62,600	'63	648
Philippines	30,758	'63	115	267	4,333	'63	141
Thailand	29,700	'64	198	150	2,952	'62	99
Taiwan	11,884	'63	14	849	1,810	'62	152
Hong Kong	3,592	'63	0.4	9,025	NA	---	NA
United States	192,119	'64	3,549	54	622,300	'64	3,239

Source: U.S. Department of Commerce

Prepared by: Research Division
Iowa Development Commission