

The export of apples to Eastern countries has been continued, a total of 6,205 cases having been exported in the season just closed. The destinations of our exports in this direction have been Singapore (1,001 cases), Batavia (1,855 cases), Saigon (50 cases), Manila (1,153 cases), Hong Kong (916 cases), Shanghai (1,130 cases), and Calcutta (100 cases). Inability to secure shipping space has hindered exports to India and Ceylon. Full advantage has been taken of the direct shipping services provided by the Japanese Line Osaka Shosen Kaisha since 1936, and also by the South Pacific Line inaugurated by the Royal Packet Navigation Company in May, 1937. The provision of a larger vessel early in 1938 to replace the s.s. "Van Rees" in this service should give increased opportunity for shipment of apples to Eastern markets.

Inquiries for a variety of New Zealand products continue to be received from all parts of the East, both direct from Eastern importers and through the Department's honorary agents in Colombo, Hong Kong, Shanghai, and Tientsin. In all cases the inquirers have been placed in direct touch with New Zealand firms likely to be interested. It is pleasing to note that in the majority of cases mutually satisfactory business relations have resulted from these contacts. With the opening-up of a direct service to the Netherlands East Indies and adjacent territories inquiries from this source have increased considerably.

TRADE WITH JAPAN.

In the table hereunder is depicted the total trade between New Zealand and Japan over the past six years. From this it is seen that, except for the years 1934 and 1936, there has been a balance of trade in favour of Japan.

Total Trade with Japan.

—			Exports.	Imports.	Percentage of Total Imports.	Excess of Imports over Exports.
			£(N.Z.)	£(N.Z.)		£(N.Z.)
1931	..	..	267,899	335,000	1·2	67,101
1932	..	..	236,799	478,000	1·9	241,201
1933	..	..	354,462	677,000	2·6	322,538
1934	..	..	856,014	836,000	2·7	20,014*
1935	..	..	432,000	1,100,150	3·0	668,150
1936	..	..	1,554,837	1,328,199	3·0	226,638*

* Excess of Exports over Imports.

In value our imports from Japan have shown a more or less steady growth over the period covered, while exports have been fluctuating with a rising tendency. The years 1934 and 1936 witnessed increased purchases of wool, which in the latter year aggregated £1,265,836, mainly owing to the tariff dispute with Australia.

It is interesting to note that the total importations from Japan in 1936 increased 20·73 per cent. over the imports for 1935, while the total importations from all countries over the same period increased 21·53 per cent. Thus the rate of growth was slightly less than total importations.

The increasing industrialization of Japan is apparent from the fact that the majority of our imports from that source are manufactured articles. Of these, silk and cotton piece-goods are the major items, and in the latter case an increase of almost 50 per cent. in value is noticeable over 1935 figures. Other important items are apparel, fancy-goods, electric-lamp bulbs, and sulphur.

The principal exports from New Zealand to Japan for each of the years 1931 to 1936 are given below :—

Principal Exports to Japan.

—			1931.	1932.	1933.	1934.	1935.	1936.
			£(N.Z.)	£(N.Z.)	£(N.Z.)	£(N.Z.)	£(N.Z.)	£(N.Z.)
Wool	..	..	179,049	181,246	233,229	689,851	241,697	1,265,836
Casein	..	..	50,248	30,865	52,436	92,342	128,667	142,124
Tallow	..	..	28,719	9,491	10,922	24,424	8,536	49,865
Butter	..	..	4,095	3,133	1,661	2,419	446	469
Hides, pelts, and skins	..	..	4,009	7,257	15,716	21,222	27,016	48,376
Scrap metal	..	..	..	..	37,038	18,418	18,990	24,870

As stated above, wool is by far the most important commodity, and in 1936 shows an increase of over £1,000,000 as compared with 1935. The increasing consumption of hides and skins is noticeable, while Japan's dependence on overseas sources of supply of metals and the increasing difficulty of obtaining adequate supplies is evident from the quantity of scrap metal imported from New Zealand in recent years.

The direct shipping services between New Zealand and Japan are affording considerable assistance to exporters, and with increasing Westernization and higher living standards further markets for our exportable surplus should be possible.