

RONALD HSIA, HENRY HO, EDWIN LIM: *The Structure and Growth of the Hong Kong Economy*. (Schriften des Instituts für Asienkunde, Band 40), Wiesbaden: Otto Harrassowitz Verlag, 1975, 142 pages.

The 'Schriften des Instituts für Asienkunde' now comprise more than 40 volumes. Although most of them are written in German, one of the less spoken languages of the world, this series of the Hamburg institute has gained a worldwide reputation. A further contribution to this reputation is the volume under discussion on the structure and growth of the Hong Kong economy. It consists of seven chapters. Besides a general introduction on input-output analysis of gross domestic product, a qualitative analysis of the interdependence of industries and an impact analysis on which output, income and employment multipliers are calculated, the cost structure of industry is analyzed and intermediate inputs are traced to primary inputs and final markets. In the concluding chapter a differentiated growth analysis is given, in which the contribution of the various categories of final demand to economic growth between 1962 and 1970 are analyzed, applying input-output techniques, whereby particular attention is drawn to the overall importance of external trade for economic growth in Hong Kong. In addition, a voluminous appendix (pp. 86-138) contains a careful collection of computer data for the period up to 1970. A subject index makes selected reading possible.

The computations given in this volume reflect the rapid economic growth of Hong Kong in the period of investigation. While the total population grew from 3.3 million in 1962 to about 4.1 million in 1970, gross domestic product per capita expanded from 2400 HK \$ to approx. 4.300 HK \$. The analysis shows further that growth in Hong Kong was very much export-led: more than 78 % of the increase in gross domestic product is attributable to increase in exports.

Within the structure of Hong Kong's exports there is a high degree of concentration, although diversification has been growing rapidly. While in 1962 cotton textiles, cotton clothing, transport and services represented 54 % of total exports, in 1970, non-cotton clothing had replaced cotton textiles as one of the four most important export industries, which together made 47 % of total exports.

Ronald Hsia, Henry Ho and Edwin Lim of the economics department of Hong Kong University have put together all possible sources of data, published and unpublished, they have undertaken an inter-industry analysis with which the interdependencies of the various industries and their contribution to output, income and employment, and the structure of the Hong Kong economy and its growth as an important economic centre are brought out clearly. Various existing gaps in data and in analysis are filled so that general as well as specific questions on the Hong Kong economy and its interrelation

with the world economy can be answered more easily and more correctly than before. It is, therefore, not unreasonable to state that this study denotes an important step forward. What remains to be done is to update the analysis in order to get the necessary basis for a better understanding of current developments in the Hong Kong economy, and for the development process in general.

Udo E. Simonis