

It must be remembered, of course, that considerable quantities of goods shipped to the United Kingdom are re-exported to the Continent.

The chief direct exports to the European countries listed above are as follows :—

Table XXV.—Direct Exports to European Countries listed above.

Commodity.	1936.	1937.	Commodity.	1936.	1937.
	£(N.Z.)	£(N.Z.)		£(N.Z.)	£(N.Z.)
Wool	2,513,943	2,693,783	Seeds, grass and clover	7,648	5,409
Sheep-skins, with wool	78,847	64,131	Casein	8,148	10,091
Pelts	72,630	9,749	Tallow	16,928	18,848
Cattle-skins	112,299	143,976	Rabbit-skins	11,431	12,445
Calf-skins	46,343	71,270	Sausage-casings	320	4,966
Apples	32,613	36,375	Fish	3,704	618
Kauri-gum	14,322	9,746	Butter	..	65,000

During the year under review trade agreements have been concluded with Germany, Switzerland, and the Netherlands, while negotiations are taking place with France. A modification to the Belgian agreement was also made in respect of gloves.

As the result of these agreements and the activities of the New Zealand Trade Commissioner in Europe larger quantities of our butter and apples are now being marketed on the Continent.

TRADE WITH THE EAST.

Trade with Eastern countries is set out in Table XXVI below, and is noteworthy in that it shows a very marked growth in exports and a smaller though substantial increase in imports from those countries :—

Table XXVI.—Total Trade with Eastern Countries.

	1934.	1935.	1936.	1937.
	£(N.Z.)	£(N.Z.)	£(N.Z.)	£(N.Z.)
Exports to—				
Dutch East Indies	2,548	2,235	1,894	4,053
British Malaya	49,727	63,771	71,383	78,869
Burma	208	618	946	584
Ceylon	393	1,528	1,401	1,074
Hong Kong	16,238	11,249	22,176	27,115
India	65,161	60,956	125,826	135,730
China	19,099	7,718	32,854	82,068
Japan	856,014	432,495	1,554,837	3,131,986
Philippine Islands	2,493	3,945	5,983	9,304
Totals	1,011,881	584,515	1,817,300	3,470,783
Imports from—				
Dutch East Indies	1,381,974	1,437,379	1,722,802	2,238,105
British Malaya	64,826	81,457	97,246	108,934
Burma	11,622	9,679	11,361	10,014
Ceylon	585,689	633,594	750,982	823,469
Hong Kong	9,681	10,356	17,695	25,688
India	667,552	571,627	554,102	580,224
Japan	836,595	1,100,150	1,328,199	1,629,979
China	98,454	97,244	151,299	143,637
Philippine Islands	13,268	10,837	14,824	27,644
Totals	3,669,661	3,952,333	4,648,510	5,587,704

Of the exports, Japan obtained a greater quantity of wool from New Zealand. China increased her imports from New Zealand by £49,214 : Wool, £46,303 (£18,081) ; tallow, £8,761 (£2,136) ; butter, £22,895 (£7,988). India took butter, £19,142 (£15,743) ; tallow, £103,432 (£89,751). Hong Kong : Butter, £16,564 (£13,480) ; fungus, £6,253 (£5,616) ; and apples, £458.

In imports, increases are noticeable from all countries other than China and Burma. From China we obtain walnuts, rice, brushmakers' materials, tea, silk, and artificial silk piece-goods. From Hong Kong : Boots and shoes ; electric lamps ; wood, cane, and wicker manufactures. Netherlands East Indies ; Motor-spirit, kapoc, peanuts, sugar, &c. Tea from Ceylon. Canned pineapples from Malaya.