

Shanghai, China, June 4, 1937.

Subject:

Present Market Conditions In China For American Carbon  
Papers And Typewriter Ribbons

Submitted by:

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(Voluntary)

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Inasmuch as China is essentially a price market, business firms here prefer, whenever possible, to deal direct with the manufacturer rather than through a secondary agent or distributor. We are informed that this condition can particularly apply to office supplies such as carbon paper and typewriter ribbons in that these commodities are now witnessing strong competition from Austrian and other European offerings which are being quoted at considerably lower prices. This competition from European sources has been in existence for some 12 to 18 months and reports indicate that it is rapidly increasing to the point where the sale of American carbons and ribbons may be excluded from this market unless drastic price reductions or other compensating conditions are made in all grades of the American product.

For instance, the popular B line of carbon papers which are in greatest demand in China are quoted by American manufacturers, F.O.B. New York, at prices ranging between U.S.\$0.60 to 0.85 per 100 sheets depending upon the weight. The grade quoted at U.S.\$0.60 landed in Shanghai retails at approximately \*yuan 2.60 to 2.70 per 100 sheets including, of course, an import duty amounting to approximately 30%.

\* At the present rate of exchange U.S.\$1.00 equals approximately yuan 3.34.

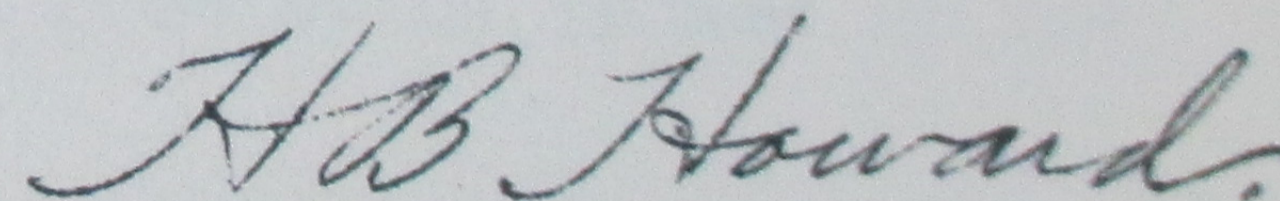
European carbons which correspond to this B line in quality are retailing in Shanghai for yuan 1.30 per 100 sheets packed in the standard form of 25

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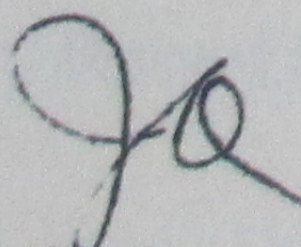
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to a folder. This same relative price range holds true for typewriter ribbons when compared with the European offerings. Consequently business firms in China are finding it increasingly difficult to successfully market American carbon papers and typewriter ribbons and unless prices can be arranged more in line with existing conditions their sales value in this field will undoubtedly continue to diminish.



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