



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

Monday, December 19, 1994

<u>Contents</u>	<u>Page No.</u>
Govt to set up \$7 billion Civil Service Pension Reserve Fund	1
Maximising capacity of airport	1
STI welcomes findings on HK the freest economy in the world	4
HKMA Chief Executive to visit Beijing	5
Illegal structure occupants urged to register with Housing Department	6
Second issue of 5-year Exchange Fund Notes well received	7
174th meeting of the Education Commission	7
Value of manufacturers' order-on-hand in October 1994	9
Special public transport arrangements for Christmas holidays	11
Computer games software contest promotes oral health	14
Christmas holiday clinic service	15
Water storage figure	15
Hong Kong Monetary Authority tender results	16
Hong Kong Monetary Authority money market operations	16

Govt to set up \$7 billion Civil Service Pension Reserve Fund

Following further discussions today (Monday) with the staff side, the Government intends to go ahead and establish a \$7 billion Civil Service Pension Reserve Fund as soon as possible, subject to a resolution of the Legislative Council and the voting of funds by the Finance Committee.

A Civil Service Branch spokesman pointed out that the Fund would be used exclusively to pay pensions in the extremely unlikely event that they could not be covered by the General Revenue.

The future balance of the Fund would be maintained at a minimum of one year's estimated pension expenditure.

"The Joint Declaration and the Basic Law specifically guarantee the continued payment of pensions on terms no less favourable than before and irrespective of nationality or place of residence. The establishment of the Fund will reinforce these guarantees.

"The Administration has had to consider what the public would accept. This is particularly so given that it is extremely unlikely that the Fund would ever be used as there are already statutory pensions safeguards under the JD and BL," the spokesman explained.

The Fund will be established by a resolution of the Legislative Council under Section 29 of the Public Finance Ordinance.

End/Monday, December 19, 1994

Maximising capacity of airport

To overcome the shortage of capacity problem at the Hong Kong International Airport, the Government has proposed to utilise the programmable slots still available but unused during the early morning and late evening periods to accommodate more flights so that the economic benefits of the airport could be maintained.

Despite the efforts made by the Civil Aviation Department in the last few years to enhance the handling capability of the airport, there is little more the department can do within existing operating arrangements and a consultation on the proposals to maximise the airport's capacity is underway.

The department seeks to consult those people living in the vicinity of the airport through the concerned District Boards before any steps are taken to implement them.

A spokesman for the department today (Monday) said it was necessary to put forward the proposals because if it was not possible to increase the capacity of the airport further prior to the opening of the new airport at Chek Lap Kok, Hong Kong would forego substantial economic benefits.

The spokesman said in 1993, more than 6.2 million air trips were made by Hong Kong residents and about \$390 billion worth of cargo was shipped into and out of Hong Kong by air.

"Of the nearly nine million overseas visitors who came to Hong Kong last year, over 68 per cent travelled through the airport," he said, adding that the total visitor spending amounted to a total of \$60 billion contributing to some seven per cent of Hong Kong's Gross Domestic Product.

"The air transportation industry is also a major job provider employing some 25,000 people at the airport and it is believed that the number of people who work for the industry outside the airport is many times more than this figure," the spokesman said.

If the proposed additional capacity can be made available, the department assessed that the Hong Kong economy will benefit from additional visitor spending of the order of \$4.3 billion a year.

Furthermore, there would be other direct and indirect benefits which include: an estimated \$100 million a year in increased income from additional aircraft landings; an estimated \$60 million a year in increased revenue from air passenger departure tax and additional services to the travelling public and increased business and job opportunities.

Under the proposals, the number of programmed aircraft movements between 6.30 am and 7am and between 9 pm and 11.30 pm, currently limited to 18 movements per hour for noise abatement reasons, will be increased by six or 10 movements an hour.

At the same time, the present programming hours at the airport will be extended by one hour from 11.30 pm to 12.30 am, thereby effectively extending the airport's operating hours from midnight to 1am.

The spokesman said the new measures would provide an additional 224 programmable slots per week.

He stressed that the additional capacity will also help to build up a stronger traffic base to transfer to the new airport at Chek Lap Kok.

"Any measures to increase the number of flight movements in the early morning and late evening will, unfortunately, cause additional noise disturbance to those living in the vicinity of the airport," he said.

The spokesman said the department accepted that the potential economic benefits must be weighed against the environmental implications of increases in the airport's operating capacity.

The Environmental Protection Department (EPD) has completed a noise impact assessment and the noise impact of flight movements at the airport can be categorised into two types namely: noise annoyance and wake-up-from-sleep.

On the "noise annoyance" aspect, the proposals will increase the number of people affected by 18 per cent from 330,000 to 388,000 because of an enlarged Noise Exposure Factor which is a number to measure the duration of flyovers, maximum noise levels, tonal characteristics and the number of movements in respect of residential developments in the vicinity of the airport.

If the proposals are implemented, 250,000 people in Sham Shui Po and Kowloon City will be affected at "wake-up-from-sleep" noise level 11 times after 9 pm each day because of the landings as compared to seven times currently. At present, one or two landings per night occur after 10.30 pm.

The EPD assessment estimated that 10 per cent of the landings reach a "shocking" noise level of over 105 dB(A) in the worst area of Kowloon City.

As to take-offs after 9 pm, 90,000 people in Kowloon City, Kwun Tong and Eastern would be affected 27 times as compared to 21 times currently.

The spokesman said the additional noise nuisance would however be for a limited and finite period until the opening of the new airport.

He said the department would be taking measures to minimise the noise nuisance as far as possible by for instance not scheduling aircraft arrivals after 10.30 pm. He said in fact this was the case since October this year.

In addition, only those aircraft which meet the most stringent noise standards of the International Civil Aviation Organisation (ICAO), both arrivals and departures, will be permitted to be programmed after 9 pm.

Airlines will be required to adopt ICAO noise abatement procedures on take-off.

Consultation papers containing the proposals have been issued to members of the Kowloon City, Kwun Tong, Eastern, Sham Shui Po and Wong Tai Sin District Boards, inviting them to comment by January 16 next year.

The department needs to announce decisions in mid-February to allow airlines to plan accordingly for the new proposals to be put in place by March 26 (Sunday), 1995, the start of the summer season.

End/Monday, December 19, 1994

STI welcomes findings on HK the freest economy in the world

* * * * *

The Secretary for Trade and Industry, Mr T H Chau, today (Monday) welcomed the findings of "Index of Economic Freedom", a study carried out by the Heritage Foundation, a Washington-based research centre.

The findings showed that Hong Kong and Singapore have the highest amount of economic freedom in the world.

The "Index of Economic Freedom" measured how well 101 countries score on a list of 10 economic factors: trade policy, taxation policy, Government consumption of economic output, monetary policy, capital flows and foreign investment, banking policy, wage and price controls, property rights, regulation and black market.

Hong Kong and Singapore are tied for first place in the study.

The Fortune Magazine in the United States, in its November issue, considered Hong Kong the best city in the world to do business.

Mr Chau said he was pleased to see that Hong Kong was graded having the freest economy in the world because the Government had all along been providing the most liberal environment for business and investment. "International trade is Hong Kong's life blood and Hong Kong has thrived because it has an open economy and a free trade policy.

"Coupled with factors such as low tax rates, absence of barriers to foreign investment, a stable currency and a sound financial system, it is no surprise that Hong Kong is regarded the most attractive commercial centre having the freest economy in the world," Mr Chau said.

End/Monday, December 19, 1994

HKMA Chief Executive to visit Beijing

* * * * *

The Chief Executive of the Hong Kong Monetary Authority, Mr Joseph Yam, will depart for Beijing tomorrow (Tuesday) for a three-day official visit at the invitation of the People's Bank of China.

In Beijing, Mr Yam will meet with senior officials of the People's Bank, including Messrs Zhou Zhengqing, Dai Xianglong, Chen Yuan and Zhu Xiaohua.

Mr Yam will also call on the Director of the Hong Kong and Macao Affairs Office of the State Council, Mr Lu Ping.

The Beijing visit is part of the HKMA's regular contacts with senior Chinese officials to enhance mutual understanding and co-operation.

Mr Yam will be accompanied by the Deputy Chief Executive (Banking), Mr David Carse, the Executive Director (Monetary Management), Mr Norman Chan, and Senior Manager (Press and Publications) Ms Julia Leung.

Note to Editors:

For arrangements to cover the event, please contact Mr Osbert Lam of HKMA at 878 1687.

End/Monday, December 19, 1994

Illegal structure occupants urged to register with Housing Department

* * * * *

The Director of Buildings, Mrs Helen Yu, today (Monday) urged occupants of illegal rooftop structures affected by the clearance in Tsuen Wan to register as soon as possible with the Housing Department for rehousing in their own interest.

"Since 1991, the Government has been conducting major clearances of illegal structures, including those on rooftop.

"However, there is no need for anyone affected by the clearances to sleep out in the street.

"The Housing Department's rehousing policy provides that nobody needs to be homeless. But those in need must come forward to register with the Housing Department," Mrs Yu said. Mrs Yu's appeal was echoed by the Tsuen Wan District Officer, Mr Thomas Chow, who also urged the occupants to approach the Tsuen Wan District Office for assistance if necessary. The occupants have been given more than one year's notice of today's operation. Regrettably, many of them have not registered with the Housing Department.

The appeal followed a number of meetings between the occupants, their supporters and officials from the Buildings and Housing Departments on rehousing arrangements.

The latest meeting took place this afternoon at the Princess Alexandra Community Centre, but to no avail.

Earlier, staff of the Buildings Department and the District Office, assisted by the Police, the Housing Department and the Social Welfare Department, managed to persuade occupants to leave six illegal structures on the roofs of Tak Yan Building and Cheuk Ming Building. After that, government contractors began demolition of the structures.

During the operation, Housing Department officials were on site to register the rooftop structure occupants, and so were personnel from the Social Welfare Department to offer other assistance.

In the operation, 16 illegal rooftop structures were being pulled down in the interest of the safety of the occupants and the many residents of the two buildings.

End/Monday, December 19, 1994

Second issue of 5-year Exchange Fund Notes well received

* * * * *

The Hong Kong Monetary Authority (HKMA) said there was a good market response to the tender today (Monday) for the second issue of five-year Exchange Fund Notes, which matures in 1999.

The five-year Notes, which carried a coupon rate of 8.15 per cent, were 6.2 times over-subscribed.

The average accepted tender price was 99.36, providing an annualised yield of 8.48 per cent, or about 56 basis points above that for five-year US Treasury notes.

Such a small spread demonstrates that the market has largely discounted the risk, if any, associated with the change of sovereignty and thus not demanded any significant premium.

"We are very pleased with the tender result which was good despite concerns for possible interest rate hike in the US. The result demonstrates clearly that the five-year Notes have been extremely well received in the market," the Chief Executive of HKMA, Mr Joseph Yam, said.

"It further reinforces the purpose of establishing a reliable benchmark for other Hong Kong dollar debt issues in the five-year area."

The inaugural issue of the five-year Notes was launched in September, with an over-subscription rate of 2.12 times.

End/Monday, December 19, 1994

174th meeting of the Education Commission

* * * * *

The following is issued on behalf of the Education Commission:

Almost all the recommendations in the report of the Working Group on Language Proficiency are likely to be included in the Education Commission's Report No. 6 (ECR6). But some of the supporting arguments will be strengthened in the light of comments received from the public.

Speaking after the Commission meeting today (Monday), the Chairman, Professor Rosie Young, said: "The working group report as a whole received wide support, and ECR6 will confirm most of the working group's proposals.

"In particular, ECR6 will need to set out a clear strategy for implementing two of the most important recommendations: C1, on a more co-ordinated approach to the language development of young children; and C2, on encouraging various approaches to the development of bilingual proficiency at pre-primary and primary levels.

"The working group's suggestions relating to these two recommendations attracted most public comments, especially the suggestion that some schools might start teaching English only at Primary 4.

"In reviewing the public response, we feel that four key issues must be set out clearly in ECR6 -

- firstly, how do we ensure that no child in compulsory education experiences a sense of failure due to language difficulties? This means finding ways to help every child leave primary school proficient in at least one language (Chinese, for most children), so they can pursue secondary studies with little or no difficulty;
- secondly, how can we integrate language learning more effectively into the curriculum, having full regard to the bilingual or even trilingual situation our children are in? We must try to ensure a better match between the time and effort our children spend on language learning, and the outcome in terms of language proficiency;
- thirdly, we need to keep up a sustained public debate on language issues, so that parents, educators, employers and the public generally can achieve a better understanding of language development in a bilingual or trilingual situation.
- fourthly, we need to ensure that all professional educators are able to contribute their expertise and efforts to strengthen language development and overcome any hindrances we identify."

Professor Young said the controversial proposal about starting English in Primary 4 would remain as one possible approach for Standing Committee on Language Education and Research (SCOLAR) to explore along with other possible strategies for tackling these four key issues.

Professor Young said only a few recommendations would be modified in ECR6. For example:

- A3 Centre for Language-in-Education Research, Innovation and Evaluation (CLERIE) would recommend no immediate move to set up a new research centre. The SCOLAR support unit would be able to start some review and research projects, and all local experts, from all institutions, could be drawn into these.
- A4 (language co-ordinator posts in schools) These should be introduced in a bottom up way, with keen schools identifying suitable staff, and central support services helping them to operate effectively.
- G3 (support for non-subject trained language teachers) These should have sustained support not just 'first aid'. How computer links could help here, like the experimental Telenex at the University of Hong Kong, has been discussed.

She expected that the final draft of ECR6 would be ready in about three months time. "The Commission will decide later on the scope of any further public consultation on ECR6," she said.

End/Monday, December 19, 1994

Value of manufacturers' orders-on-hand in October 1994

* * * * *

The value of manufacturers' orders-on-hand for local production in October 1994 increased by 13% over a year earlier, according to the provisional results of a monthly survey released today (Monday) by the Census and Statistics Department.

Comparing October 1994 with October 1993, significant increases in the value of outstanding orders were recorded in the plastic products industry (+49%), textiles industry (+33%), fabricated metal products industry (+32%), electronic products industry (+25%) and electrical products industry (+19%).

On the other hand, decreases in orders were registered in the printing and publishing industry (-14%) and wearing apparel industry (-7%).

Compared with September 1994, and bearing in mind that this comparison may be affected by seasonal factors, the value of manufacturers' orders-on-hand in October 1994 decreased by 8%.

The Monthly Survey of Orders-on-hand covers a sample of some 300 manufacturing firms engaging 50 or more workers.

Manufacturers' orders-on-hand refer to orders and parts of orders received earlier by manufacturers for local production which remain unfilled as at the end of the reference month.

Orders received by traders not engaged in production are included if such orders are further placed to manufacturers for production locally.

However, orders placed to manufacturing firms for production in China and other places outside Hong Kong are not included in this series of orders-on-hand statistics.

Beginning from January this year, a new series of statistics on manufacturers' orders-on-hand in value terms compiled in the form of an index is produced, to replace the old series which was expressed in terms of number of months to complete the outstanding orders.

The new statistical series provides a more direct measure of the overall value of orders in the local manufacturing sector that lead to the generation of local manufacturing output.

A spokesman for the department pointed out that caution should be exercised in interpreting the manufacturers' orders-on-hand figures in a single month. Instead, the trend movement of the series as displayed over a wider span of time points should be looked at.

The survey report for October 1994, at \$4.5 a copy, is now available for sale at the Government Publications Centre, Queensway Government Offices, Low Block, Ground Floor, Queensway, and at the Census and Statistics Department Publications Section, 19th Floor, Wanchai Tower, 12 Harbour Road, Wan Chai.

Enquiries about the survey results may be made to the Industrial Production Statistics Section of the Census and Statistics Department on tel 805 6441.

Percentage changes in the value of
orders-on-hand in

	<u>September 1994</u> <u>over September 1993</u>	<u>October 1994</u> <u>over October 1993</u>
	(Revised)	(Provisional)
All industries covered in the survey	+10	+13
. Wearing apparel	- 6	- 7
. Textiles	+15	+33
. Electronic products	+29	+25
. Electrical products	- 12	+19
. Fabricated metal products	+23	+32
. Plastic products	+48	+49
. Printing and publishing	- 18	- 14

End/Monday, December 19, 1994

Special public transport arrangements for Christmas holidays

* * * * *

The Transport Department announces today (Monday) that special public transport arrangements will be implemented for Christmas Holidays this year.

All night services will be provided on Christmas Eve (Saturday) by the Mass Transit Railway (MTR), Kowloon-Canton Railway (KCR), Tramways except Happy Valley loop and Star Ferry Service between Tsim Sha Tsui and Edinburgh Place.

On Christmas Eve, Light Rail Transit Service and its feeder bus routes 521 and 670 will be extended to about 1 am the following morning and Peak Tram Services will be extended to 1.30 am the following morning.

While Hong Kong Yaumati Ferry Company provides normal services on Christmas Eve, the Discovery Bay Ferry Company will provide additional services between 1 am and 4 am on December 25.

On Christmas Eve, the operating hours of China Motor Bus (CMB) routes 8, 10, 23, 38, 38A, 84M, 590, 592 and 595; Citybus route 6A; and Hong Kong green minibus (GMB) routes 49M and 50 will be extended by between about 20 minutes and three hours after their normal schedules and additional journeys on Citybus overnight routes N72 and N90 will be provided to meet passenger demand.

Citybus will provide a special bus route 6S between Central and Stanley Village from 0.01 am with last departure from Central at 2 am and from Stanley at 3 am on December 25.

In the morning on December 25, additional services on all-night cross harbour tunnel routes 121 and 122 will be provided from Hong Kong side. Meanwhile, free interchange between these two routes will be temporarily suspended on December 25, 26, 27 and 28.

Due to road closures in Central, CMB routes 10, 10A, 20, 21, 22, 23A, 26, 40M, 43, and 781; Citybus routes 5, 5A and 12A; cross harbour tunnel routes A2 and 103, and Hong Kong GMB route 28 will be diverted.

Kowloon Motor Bus (KMB) will provide six all-night bus services on Christmas Eve:

- a) No. 6S between Star Ferry and Mei Foo;
- b) No. 26S between Shun Tin and Kowloon KCR Station;
- c) No. 60S between Tsuen Wan MTR Station and Tuen Mun Town Centre;
- d) No. 68S between Jordan Road Ferry and Yuen Long East;
- e) No. 80S between Shui Wo Court and Kowloon Tong MTR Station; and
- f) No. 82S between Kwong Yuen and Kowloon Tong MTR Station.

On Christmas Eve, the operating hours of KMB routes 1, 1A, 3C, 5, 5C, 14, 16, 28, 31M, 32M, 34M, 36M, 37M, 39M, 41M, 42A, 42M, 43M, 58M, 58X, 59M, 59X, 60M, 60X, 66M, 67X, 69M, 81K, 86K, 87K, 88M, 98A, 98D, 211, 216M, 234A, 234X, 235, 235M, 238X, and 243M; Kowloon GMB routes 3, 6, 7, 8, 16, 18, 25M, 33M, 37M, 38M, 51M, and 53M; and New Territories GMB routes 11, 17, 20K, 65K, 80, 81M, 82, 95M and 96M will be extended by between about 10 minutes and three hours after their normal schedules. Supplementary trips will be operated on KMB routes 69X, 216M, 216S and 293 to meet passenger demand.

Due to road closures in Tsim Sha Tsui, the service of Kowloon GMB route 1 will be temporarily suspended. KMB routes A1, B1, 1, 1A, 2, 2C, 5, 5C, 6, 6A, 7, 8, 8A, 9, 15X, 26, 28, 69X, 81C, 87D, 98D, 203, 208, 216S, 219X, 234X, 241S, 271, 271S and 281S; and Kowloon GMB routes 3, 6, 7, 8 and 606S will be diverted.

At the same time, the terminal points of the following KMB routes will be temporarily relocated:

<u>KMB Route</u>	<u>Existing Terminus</u>	<u>New</u>	<u>Temporary Terminus</u>
5, 5C & 8	Star Ferry Bus Terminus		Granville Road in TST East
15X & 28	Hankow Road		Chatham Road South (north of Granville Road)
234X	Hankow Road		Star Ferry Bus Terminus
271	Canton Road		Jordan Road Ferry Bus Terminus

On December 25, KCR, Star Ferry and KMB will provide extended services.

The KCR train services from Sheung Shui and Kowloon will be extended to 1 am and 1.30 am respectively the following morning.

Star Ferry service between Tsim Sha Tsui and Edinburgh Place will be extended to 3 am the following morning.

KMB route 5 and 6 will be extended by about 1 hour and 1.5 hours respectively after their normal schedules.

MTR will improve services headway whenever necessary on December 22, 23, 25, 26 and 27.

End/Monday, December 19, 1994

Computer games software contest promotes oral health

* * * * *

Enthusiasts of computer games design can make use of the Christmas and New Year holiday to participate in a computer games software competition for the promotion of oral health education as the deadline has been postponed until January 14 next year.

The competition, organised by the Oral Health Education Unit of the Department of Health in collaboration with the Hong Kong Computer Society, the Hong Kong Dental Association, the Hong Kong Society of Medical Informatics and the Hong Kong Society for Multimedia and Image Computing, is open to all secondary school students and the public.

A spokesman for the department said entries should bring out messages on the importance of oral health care and the methods to prevent dental diseases.

He said: "Participants are free to make use of animation cartoon stories, still or motion image games, or questions and answers format in designing their entries.

"The entries will be judged on their effectiveness in bringing out oral health messages, the attractiveness of the games and their visual effects," he said.

The spokesman said the winning entries would be used for public display on the education bus and in oral health exhibitions to be launched by the department.

The competition is divided into the secondary school division and open divisions. Participants may be individuals or in groups or families.

The competition is sponsored by AST Asia Pacific and three winners of each division would receive a souvenir and a cash coupon worth \$5,000 to \$10,000.

Application forms and health manuals are available from secondary schools, District Offices, and public libraries.

Entries with the completed forms should be sent to the Unit by hand or by mail on or before January 14, 1995. Enquiries could be made on tel 768 8077.

End/Monday, December 19, 1994

Christmas holiday clinic service

* * * * *

Eight General Out-patient Clinics will remain open between 9 am to 1 pm on December 25 and 27, which are the Christmas Day and second week-day after Christmas Day, the Department of Health announced today (Monday).

They are: the Violet Peel Health Centre and Shau Kei Wan Jockey Club Clinic on Hong Kong Island; the Kwun Tong Jockey Club Health Centre, Robert Black Health Centre and Yau Ma Tei Jockey Club Clinic in Kowloon; the Lady Trench Polyclinic, Shek Wu Hui Jockey Club Clinic and Yuen Long Jockey Club Health Centre in the New Territories.

There will be no holiday clinic service on December 26.

End/Monday, December 19, 1994

Water storage figure

* * * * *

Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 77.0 per cent of capacity or 451.277 million cubic metres.

This time last year the reservoirs contained 417.798 million cubic metres of water, representing 71.3 per cent of capacity.

End/Monday, December 19, 1994

Hong Kong Monetary Authority tender results

Tender date	19 Dec 94
Paper on offer	EF notes
Issue number	5912
Amount applied	HK\$3,600 MN
Amount allotted	HK\$500 MN
Average price (Yield) accepted	99.36 (8.48 PCT)
Lowest price (Yield) accepted	99.34 (8.49 PCT)
Pro rata ratio	About 4 PCT
Average tender price (Yield)	99.02 (8.57 PCT)

End/Monday, December 19, 1994

Hong Kong Monetary Authority money market operations

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,791	0930	-259
Closing balance in the account	4,055	1000	-239
Change attributable to :		1100	-239
Money market activity	+2,479	1200	-239
LAF today	-215	1500	-39
		1600	+2,479

LAF rate 3.75% bid/5.75% offer TWI 121.9 *+0.1* 19.12.94

Hong Kong Monetary Authority

EF bills		EF notes/Hong Kong Government bonds				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.09	17 months	2605	6.35	98.75	7.42
1 month	5.31	23 months	2611	6.90	98.75	7.76
3 months	5.66	28 months	3704	6.15	96.48	7.96
6 months	6.21	34 months	3710	7.25	98.31	8.07
12 months	6.93	57 months	5909	7.45	96.80	8.44

Total turnover of bills and bonds - 13,547 million

Closed December 19, 1994

End/Monday, December 19, 1994