



## DAILY INFORMATION BULLETIN

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MONDAY, SEPTEMBER 11, 1978

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CONTINUED ECONOMIC GROWTH IN 1978

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THE GROWTH RATES OF BOTH EXPORTS AND RE-EXPORTS PICKED UP DURING THE FIRST HALF OF 1978 BUT DOMESTIC DEMAND IS STILL GROWING MORE RAPIDLY THAN EXPORTS. THIS IS SPELT OUT IN THE GOVERNMENT'S HALF-YEARLY ECONOMIC REPORT RELEASED TODAY. THE REPORT, WHICH PRIMARILY REVIEWS EVENTS IN THE FIRST HALF OF 1978, WILL BE SHORTLY ON SALE.

THE REPORT POINTS OUT THAT +WITH UNEMPLOYMENT ALREADY AT A LOW LEVEL DURING 1977, DEVELOPMENTS IN THE FIRST HALF OF 1978 HAVE LED TO A FURTHER TIGHTENING OF THE LABOUR MARKET WITH WAGES INCREASING RAPIDLY+.

THE UNEMPLOYMENT RATE DROPPED FROM 4.1 PER CENT IN SEPTEMBER 1977 TO ONLY 3 PER CENT IN MARCH 1978, AND THERE WAS A GENERAL SHORTAGE OF LABOUR, PARTICULARLY IN THE MANUFACTURING SECTOR. AVERAGE DAILY WAGE RATES (INCLUDING FRINGE BENEFITS) IN THE MANUFACTURING SECTOR WERE 6 PER CENT HIGHER IN REAL TERMS IN MARCH 1978 THAN IN SEPTEMBER 1977 AND 9 PER CENT HIGHER THAN IN MARCH 1977.

THE REPORT INDICATES THAT THE IMPROVEMENT IN EXPORT PERFORMANCE SEEN IN THE FIRST HALF OF THE YEAR IS LIKELY TO CONTINUE IN THE SECOND HALF. HOWEVER, BECAUSE OF THE TIGHT LABOUR MARKET AND THE ALREADY HIGH RATES OF UTILISATION OF QUOTAS FOR TEXTILES AND CLOTHING AND THEIR LIMITED GROWTH PROVISIONS, A SIGNIFICANT UPSURGE IN THE IMMEDIATE FUTURE APPEARS REMOTE.

THE REPORT SHOWS THAT THE VALUE OF DOMESTIC EXPORTS IN THE FIRST HALF OF THE YEAR WAS HK\$17,468 MILLION, 11 PER CENT HIGHER THAN IN THE CORRESPONDING PERIOD A YEAR AGO. AS EXPORT PRICES WERE ON AVERAGE 3 PER CENT HIGHER, THE QUANTITY OF EXPORTS WAS ABOUT 7 PER CENT HIGHER, WHICH WAS SOMEWHAT HIGHER THAN THE 5 PER CENT GROWTH RATE IN THE QUANTITY OF DOMESTIC EXPORTS FOR 1977 OVER 1976.

THE REPORT ALSO INDICATES THAT THE ACCELERATION IN THE RATE OF GROWTH OF DOMESTIC EXPORTS IN THE FIRST HALF OF 1978 WAS MAINLY DUE TO HIGHER EXPORTS OF TEXTILES AND CLOTHING. FURTHER, RE-EXPORTS GREW RAPIDLY IN THE FIRST HALF OF 1978, BEING 29 PER CENT HIGHER IN VALUE TERMS THAN IN THE FIRST HALF OF LAST YEAR.

THE REPORT SHOWS THAT THE VALUE OF IMPORTS IN THE FIRST HALF OF 1978 WAS HK\$28,254 MILLION, BEING 21 PER CENT HIGHER THAN IN THE FIRST HALF OF 1977. AS THE IMPORT UNIT VALUE INDEX INCREASED BY ABOUT 4 PER CENT DURING THE FIRST FIVE MONTHS OF THE YEAR, THE QUANTITY OF IMPORTS IN THE FIRST HALF OF THIS YEAR WAS ESTIMATED TO BE ABOUT 15 PER CENT HIGHER THAN IN THE CORRESPONDING HALF OF 1977.

THE REPORT NOTES THAT THE RAPID GROWTH RATE OF IMPORTS WAS MAINLY DUE TO THE STRONG DEMAND FOR CONSUMER GOODS, AND FOR RAW MATERIALS AND SEMI-MANUFACTURES, ALTHOUGH IT WAS ALSO PARTLY DUE TO AN ACCELERATION IN THE GROWTH RATE OF RE-EXPORTS.

/THE TOTAL .....

THE TOTAL MERCHANDISE TRADE DEFICIT IN THE FIRST HALF OF 1978 WAS 59 PER CENT HIGHER THAN A YEAR AGO. THE REPORT SUGGESTS THAT THE TRADE DEFICIT FOR THE LATTER HALF OF THE YEAR IS EXPECTED TO BE SMALLER AS DOMESTIC EXPORTS APPROACH THEIR SEASONAL PEAK.

ON MONEY AND BANKING, THE REPORT POINTS OUT THAT THE MONEY SUPPLY IN 1977 AND IN THE FIRST HALF OF THIS YEAR HAS BEEN INCREASING FASTER THAN THE GROSS DOMESTIC PRODUCT IN MONEY TERMS. THE RAPID GROWTH RATE OF THE MONEY SUPPLY IN THE FIRST HALF WAS PRIMARILY CAUSED BY THE INCREASE IN BANK LENDING. MOREOVER, THE REPORT SUGGESTS THAT +BY ACCOMMODATING THE DEMAND FOR BANK LENDING, THE BANKING SYSTEM MAY HAVE HELPED TO EXERT SOME UPWARD PRESSURE ON SUCH DOMESTICALLY-DETERMINED PRICES AS THOSE FOR PROPERTY AND LABOUR, WHICH HAVE RISEN SUBSTANTIALLY+.

IT NOTES THAT DEPRECIATION OF THE HONG KONG DOLLAR DURING THE FIRST SIX MONTHS WAS DUE TO THE WIDENING TRADE DEFICIT AND THE RELATIVELY LOW LEVEL OF INTEREST RATES.

ON TEXTILE PRODUCTION, THE REPORT INDICATES THAT TOTAL SPINNING AND WEAVING PRODUCTION IN THE FIRST QUARTER OF 1978 FELL BY 13 PER CENT COMPARED WITH THE PREVIOUS QUARTER BUT WAS STILL 4 PER CENT HIGHER THAN IN THE CORRESPONDING QUARTER A YEAR AGO.

ON BUILDING AND CONSTRUCTION TRADE, THE REPORT POINTS OUT THAT BUILDING AND CONSTRUCTION ACTIVITY CONTINUED TO INCREASE RAPIDLY IN THE FIRST QUARTER THIS YEAR, THOUGH AT A SLOWER RATE THAN LAST YEAR. EXPENDITURE ON BUILDING AND CONSTRUCTION IN THE FIRST QUARTER BY THE PUBLIC SECTOR INCREASED AT A MUCH FASTER RATE THAN THAT BY THE PRIVATE SECTOR.

ON PRICE MOVEMENTS, THE REPORT INDICATES THAT CONSUMER PRICES HAVE REMAINED FAIRLY STABLE, WITH THE CONSUMER PRICE INDEX (A) BEING, ON AVERAGE, ONLY 5 PER CENT HIGHER IN THE FIRST SIX MONTHS OF 1978 THAN THE CORRESPONDING PERIOD A YEAR AGO. CONCERNING IMPORT PRICES OF RAW MATERIALS AND SEMI-MANUFACTURES, THE REPORT SHOWS THAT THEY HAVE REMAINED FAIRLY STABLE IN THE FIRST FOUR MONTHS. IT ADDS THAT AS THE HONG KONG DOLLAR HAS BEEN DEPRECIATING SINCE MARCH 1977 AGAINST THE CURRENCIES OF THE COUNTRIES FROM WHICH RAW MATERIALS AND SEMI-MANUFACTURES ARE IMPORTED, STABILITY IN THE HONG KONG DOLLAR PRICES OF RAW MATERIALS AND SEMI-MANUFACTURES IMPLIES AN OVERALL DECLINE IN THE WORLD PRICES OF SUCH COMMODITIES.

COMMENTING ON THE REPORT, A GOVERNMENT SPOKESMAN SAID THAT THE HONG KONG ECONOMY IN 1978 IS ON A COURSE OF MORE BALANCED GROWTH, WITH EXPORTS GRADUALLY REGAINING THEIR POSITION AS THE MAIN IMPETUS TO GROWTH. HOWEVER, HE SAID THAT THE HIGH LEVEL OF DOMESTIC DEMAND, TIGHT LABOUR MARKET AND RESTRICTIONS ON HONG KONG'S EXPORTS OF TEXTILES AND CLOTHING TO ITS MAJOR MARKETS WILL ADVERSELY AFFECT THE POTENTIAL FOR GROWTH OF DOMESTIC EXPORTS IN THE IMMEDIATE FUTURE.

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RESULTS OF JUNE EMPLOYMENT SURVEY

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ABOUT 804,000 PEOPLE WERE EMPLOYED IN THE MANUFACTURING SECTOR IN JUNE 1978, ACCORDING TO THE LATEST EMPLOYMENT SURVEY CONDUCTED BY THE CENSUS AND STATISTICS DEPARTMENT.

THE FIGURE REPRESENTS AN INCREASE OF FIVE PER CENT OR ABOUT 37,600 PEOPLE OVER MARCH 1978 AND FOUR PER CENT OR ABOUT 28,000 PEOPLE WHEN COMPARED WITH JUNE 1977.

IN TERMS OF EMPLOYMENT, THE FIVE LARGEST MANUFACTURING INDUSTRIES WERE WEARING APPAREL= ELECTRICAL MACHINERY, APPLIANCES AND SUPPLIES= TEXTILES= PLASTIC PRODUCTS= AND FABRICATED METAL PRODUCTS.

ELECTRICAL MACHINERY, APPLIANCES AND SUPPLIES HAS NOW REPLACED TEXTILES AS THE SECOND LARGEST EMPLOYER.

A COMPARISON OF THE EMPLOYMENT OF THE FIVE MAJOR MANUFACTURING INDUSTRIES BETWEEN JUNE 1978 AND MARCH 1978 IS GIVEN BELOW:-

INDUSTRY GROUP	PERSONS ENGAGED IN JUNE 1977	PERSONS ENGAGED IN MAR. 1978	PERSONS ENGAGED IN JUNE 1978	CHANGE OF JUNE 1978 OVER MARCH 1978	
				PERSONS ENGAGED	% CHANGE
WEARING APPAREL	256,408	256,564	261,791	+5,227	+2
ELECTRICAL MACHINERY, APPLIANCES AND SUPPLIES	93,561	88,601	100,324	+11,723	+13
TEXTILES	106,019	99,791	99,926	+135	*
PLASTIC PRODUCTS	87,753	81,508	90,020	+8,512	+10
FABRICATED METAL PRODUCTS	72,241	71,605	75,807	+4,202	+6

(\* LESS THAN 0.5 PER CENT.)

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THE MORE SIGNIFICANT CHANGES IN EMPLOYMENT AT THE INDUSTRY SECTOR LEVEL BETWEEN JUNE 1978 AND MARCH 1978 ARE AS FOLLOWS:-

INDUSTRY SECTOR	PERSONS ENGAGED IN JUNE 1977	PERSONS ENGAGED IN MAR. 1978	PERSONS ENGAGED IN JUNE 1978	CHANGE OF JUNE 1978 OVER MARCH 1978	
				PERSONS ENGAGED	% CHANGE
ELECTRONIC PRODUCTS	75,134	68,661	77,938	+9,277	+14
PLASTIC TOYS	47,760	43,511	50,554	+7,043	+16
GARMENTS EXCEPT KNITWEAR FROM YARN	201,800	197,885	203,804	+5,919	+3
WATCHES AND CLOCKS	13,579	16,009	18,110	+2,101	+13
PLASTIC PRODUCTS OTHER THAN PLASTIC TOYS AND PLASTIC FLOWERS	32,484	30,952	33,014	+2,062	+7
ELECTRICAL APPLIANCES AND HOUSEWARES	8,012	9,223	11,075	+1,852	+20
MISCELLANEOUS FABRICATED METAL PRODUCTS	30,501	29,673	30,959	+1,286	+4
TORCHES, TORCH CASES AND PARTS EXCEPT TORCH BULBS	3,997	4,083	4,891	+808	+20

DETAILED EMPLOYMENT FIGURES FOR VARIOUS INDUSTRY GROUPS AND SECTORS ARE OBTAINABLE ON REQUEST FROM THE EMPLOYMENT STATISTICS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT.

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PRESS CONFERENCE ON DRUG SCENE IN HONG KONG  
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A SERIES OF FINDINGS ON HONG KONG'S DRUG PROBLEM AND THE EFFECTIVENESS OF VARIOUS EFFORTS BEING MADE TO TACKLE IT WILL BE ANNOUNCED AT A PRESS CONFERENCE ON THURSDAY (SEPTEMBER 14).

THIS IS THE FIRST SUCH RESULT OBTAINED THROUGH THE RE-ORGANISATION AND COMPUTERISATION OF THE GOVERNMENT'S CENTRAL REGISTRY OF DRUG ADDICTS.

THE PRESS CONFERENCE WILL BE ATTENDED BY MR. E.I. LEE, COMMISSIONER FOR NARCOTICS- DR. ROBERT NEWMAN AND MR. BENT WERBELL, CONSULTANTS TO THE CENTRAL REGISTRY OF DRUG ADDICTS- AND MR. EDDIE SO, SENIOR INFORMATION OFFICER OF THE NARCOTICS DIVISION, GOVERNMENT SECRETARIAT.

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NOTE TO EDITORS:

YOU ARE INVITED TO SEND REPRESENTATIVES TO COVER THE PRESS CONFERENCE ON HONG KONG'S DRUG PROBLEM TO BE HELD AT 11.15 A.M. ON SEPTEMBER 14 IN THE G.I.S. THEATRE, FIFTH FLOOR, BEAconsFIELD HOUSE.

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CROWN LAND FOR SALE  
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THREE LOTS OF CROWN LAND WILL BE OFFERED FOR SALE IN THE CITY HALL THEATRE ON SEPTEMBER 13, AT 2.30 P.M. BY THE P.W.D.'S CROWN LANDS AND SURVEY OFFICE.

ONE OF THESE LOTS, MEASURING 6,062 SQUARE METRES, IS SITUATED AT THE JUNCTION OF HARBOUR ROAD AND FLEMING ROAD IN WAN CHAI. IT IS FOR NON-INDUSTRIAL PURPOSES.

THE OTHER TWO LOTS, ALSO FOR NON-INDUSTRIAL PURPOSES, ARE LOCATED AT TSIM SHA TSUI EAST, KOWLOON AND UPPER LASCAR ROW, HONG KONG. THEY MEASURE 4,400 SQUARE METRES AND 634 SQUARE METRES RESPECTIVELY.

PARTICULARS AND CONDITIONS OF SALE MAY BE OBTAINED FROM AND SALE PLANS INSPECTED AT THE PUBLIC ENQUIRY SUB-OFFICE, CENTRAL GOVERNMENT OFFICES (WEST WING), GROUND FLOOR, HONG KONG AND AT THE CROWN LANDS AND SURVEY OFFICE, KOWLOON GOVERNMENT OFFICES, 405 NATHAN ROAD, 10TH FLOOR.

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NOTE TO EDITORS:

CONTRACT SIGNING FOR TWO MAJOR ROAD PROJECTS

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TWO MAJOR ROAD CONTRACTS WORTH A TOTAL OF \$88.5 MILLION WILL BE SIGNED TOMORROW (TUESDAY) BETWEEN THE PUBLIC WORKS DEPARTMENT AND THE SUCCESSFUL BIDDERS.

THE CONTRACTS ARE FOR THE FIRST STAGE OF THE TSUEN WAN BY-PASS AND FOR A FLYOVER COMPLEX ON CASTLE PEAK ROAD NEAR TAI WO TSUEN.

YOU ARE INVITED TO SEND REPRESENTATIVES TO COVER THE CONTRACT SIGNING CEREMONY WHICH WILL TAKE PLACE IN THE GIS THEATRE, 5TH FLOOR, BEACONSFIELD HOUSE AT 11 A.M. TOMORROW.

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TRAFFIC ARRANGEMENTS IN WEST KOWLOON AND YUEN LONG

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THE TRANSPORT DEPARTMENT ANNOUNCED TODAY THAT FROM 10 A.M. ON WEDNESDAY (SEPTEMBER 13) SEVERAL TRAFFIC ARRANGEMENTS WILL BE IMPLEMENTED IN WEST KOWLOON TO FACILITATE MASS TRANSIT RAILWAY WORKS ALONG CHEUNG SHA WAN ROAD.

UNDER THE ARRANGEMENTS, THE SECTION OF FUK WA STREET BETWEEN KWEILIN STREET AND YEN CHOW STREET WILL BE RE-ROUTED ONE-WAY WESTBOUND.

MOREOVER, THE EXISTING PUBLIC LIGHT BUS STAND IN KWEILIN STREET IMMEDIATELY NORTH OF CHEUNG SHA WAN ROAD WILL BE RESITED TO FUK WING STREET WEST OF KWEILIN STREET.

THE TRANSPORT DEPARTMENT ALSO ANNOUNCED THAT FROM 10 A.M. ON WEDNESDAY THE SECTION OF THE NULLAH BUND ACCESS ROAD BETWEEN MA MIU ROAD AND SHUI PIN WAI VILLAGE IN YUEN LONG WILL BE CLOSED TO TRAFFIC FOR FIVE MONTHS TO FACILITATE THE CONSTRUCTION OF A PUBLIC HOUSING ESTATE AT SHUI PIN WAI.

DURING THE CLOSURE PERIOD, MOTORISTS ARE ADVISED TO MAKE USE OF THE ALTERNATIVE ACCESS FROM CASTLE PEAK ROAD.

APPROPRIATE TRAFFIC SIGNS WILL BE SET UP IN THESE AREAS TO GUIDE MOTORISTS.

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WATER CUT IN HOLLYWOOD ROAD  
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THE WATER SUPPLIES DEPARTMENT ANNOUNCED TODAY THAT FRESH WATER SUPPLY TO A NUMBER OF PREMISES IN CENTRAL WILL BE STOPPED FOR SEVEN HOURS FROM 11 P.M. ON WEDNESDAY (SEPTEMBER 13), TO FACILITATE LEAKAGE TEST.

AFFECTED WILL BE PREMISES ALONG NO. 127-133 AND NO. 84-130 HOLLYWOOD ROAD, INCLUDING HOLLYWOOD ROAD POLICE PRIMARY SCHOOL, NO. 1-13 SHING WONG STREET AND NO. 1-51 GOUGH STREET.

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