DAILY INFORMATION BULLETIN

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Transcript of FS's media session

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Following is the transcript of a media session given by the Financial Secretary, Sir Hamish Macleod, after unveiling the model of the Hong Kong Convention and Exhibition Centre Extension today (Wednesday):

Good Morning. It gives me a very good feeling to see the progress being made on the extension. You can see here on the site how huge it is going to be. But I must congratulate the architect; he has managed, although it is a huge building, to make it also attractive. So I do honestly believe it is going to be a tourist attraction just like the Sydney Opera House. It is really an impressive building. The capacity, as I said, is more than double the existing building, so it is an enormous step forward in our place in the convention centre and exhibition centre world.

Question and Answer Session:

Question: Sir Hamish, could you comment on recent statements coming out from Hang Seng Bank which is one of the territory's two largest banks, that they may raise the cost of loans and some of their services if deregulation of interest rates on time deposits should proceed at full speed. Do you see this as a threat to the government's proposal -- or rather Hong Kong Consumer Council's proposal?

FS: No, I mean I don't see it as a threat. We do, of course, consult the banks before we make a decision on the next step on deregulation. We haven't made that decision - we have not made that decision yet - and we will be discussing it with the banks. Of course we will be discussing it not in public, so we will get their views anyway; we will get the views of the other banks, and we will take those very seriously because we are not in the business of making the environment too difficult for banks. On the other hand, we are trying to balance the interests of the consumer. So I guess we will have a decision probably some time in September but we have not made up our minds yet.

Question: Seems the US market has gone down, remained stable for quite a long time, the bankers in Beijing are saying that it might be a good time to increase the mortgage by five per cent, so will the Government review the (inaudible)?

FS: We will certainly keep it under review, we are not saying that it will never change. But what we are saying at the moment is, we are not yet convinced there is a case for changing it. We very much welcome the fact that property prices -- a bit of the heat has gone out of property prices, particularly domestic. I think, if you remember back last year, there was a lot of pressure for that to happen. It should, I hope, over the coming months begin to feed into the inflation figures; it should begin to have a somewhat helpful impact on inflation figures, so that will be helpful. But at the moment, I am quite content with the way things are in relation to property prices and in relation to mortgages.

Question: (on the Oxfam Report)

FS: I haven't read it yet. I am waiting for the Policy Branch to give me, not just the report but their own analysis of it, and when that is available I will read it with interest. But I think some of the remarks made by various commentators which grossly underestimate the amount of money that we give to people on CSSA for example, are not helpful to a rational debate. But certainly, we will be giving a more considered view on the Oxfam Report when we have had time to read it properly.

Question: Is it true that the Government is now consulting the Chinese side on (inaudible)?

FS: On the?

Question: On the interest rates.

Question: The IRR, the Interest Rate Rules.

FS: No, I don't think that is a topic at the moment. As I've said, we haven't, ourselves, even come to a provisional view yet, so it is quite early days yet.

Question: But will the Government consider the opinions of the Chinese side?

FS: I expect we will. I expect we will. I haven't given that part of it great thought because, as I say, we haven't, ourselves, yet really had the meetings even to form a provisional view.

Question: Will the Government delay or even postpone the deregulation of the interest rates because of the strong opposition?

FS: Well, all options are open. I genuinely mean it, we haven't made our minds up. We could simply postpone any further changes or we could go ahead with some changes but short of the full Consumer Council recommendations. That is all open at the moment for discussion and the Monetary Authority in particular will be looking at the arguments and then discussing them with me or my successor, depending on the timing.

Question: So there is a possibility it might be postponed?

FS: (To the next questioner) Sorry, yes you.

Question: Sir Hamish, on the question of the economy, are you worried that the unemployment rate will go up again?

FS: I have the advantage of knowing what the figure is going to be tomorrow. But to take your question more seriously and looking over the coming months, it is actually very difficult to forecast what is going to happen on the figures. The underlying fact is, as I have said recently in a speech, the underlying fact is that the economy is growing very well, and even the employed labour force is growing very well. So we seem to have a temporary - I think temporary - bulge in the number of people looking for work, and of course it's been accentuated by the slow down in retail sales and therefore retail employment - and restaurants, restaurant employment. But it is actually very difficult to forecast what will happen over the coming months. The figure tomorrow, will be released tomorrow. Thank you very much.

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Financial Secretary visits HKCEC extension site

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The Financial Secretary, Sir Hamish Macleod, today (Wednesday) visited the construction site of the extension to the Hong Kong Convention and Exhibition Centre (HKCEC) in Wan Chai to see for the progress of the project.

Accompanied by the Secretary for Works, Mr James Blake, Sir Hamish was briefed by Territory Development Department officials on the site formation work for the project.

After a tour of the site, he proceeded to the 11th floor podium of the HKCEC to have an overhead view of the construction work. To mark his visit, he unveiled a model of the extension for permanent display at the HKCEC.

Speaking at the unveiling ceremony, Sir Hamish said conventions and exhibitions held in Hong Kong had been hugely successful and had become an entire industry bringing great direct and indirect economic benefits to Hong Kong.

He said as the existing centre, with only about 20,000 square metres of convention and exhibition space, was approaching its maximum capacity, Hong Kong needed additional facilities to maintain its leading position as a convention and exhibition centre.

"We expect that the additional quantifiable economic benefits to be worth about $9-10 billion a year when the extension is in full operation," he said.

Sir Hamish learnt that the extension, together with its supporting infrastructure, would be built on an island of about 6.5 hectares, formed on the harbour-side of the HKCEC.

The extension will include three new exhibition halls with a total usable floor area of 29,000 square metres together with a second convention hall as well as meeting rooms and support facilities.

It will offer a world-class facility of its kind and will become a landmark overlooking the Victoria Harbour.

It will be connected to the existing centre by an atrium link which could also be used for exhibition purposes.

The project is expected to be completed by mid-1997.

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New Director for Home Affairs Department

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Mrs Shelley Lau Lee Lai-kuen will succeed Mr Joseph Wong Wing-ping as the Director of Home Affairs tomorrow (Thursday).

Mrs Lau, aged 46, joined the Civil Service in 1971 and was appointed to the Administrative Service in 1972.

She rose to her present rank of Administrative Officer Staff Grade B1 in 1995.

She has served in a number of branches and departments, including the Home Affairs Department, the former UMELCO, Government House, the former New Territories Administration, the Finance Branch and the Civil Service Branch.

She attended an overseas training programme in Harvard University from 1984 to 1985 and became the Deputy Secretary-General of the former OMELCO from 1986 to 1989.

She was also the Commissioner for Recreation and Culture from 1989 to 1991 and Secretary-General of the former OMELCO from 1991 to 1993.

Her last posting was Deputy Secretary for Health and Welfare.

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Update on landslip investigations

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The Geotechnical Engineering Office (GEO) has made some progress in its investigations of the two landslips at Chai Wan and Wong Chuk Hang.

The preliminary results of the search of background information show that the failure in Fei Tsui Road at Chai Wan occurred in a cut slope formed in weathered volcanic rock and soil on government land between 1975 and 1978. The original dimensions of the slope were about 25 metres high, 180 metres long, inclined at an angle of about 65 degree. There is a strip of vacant flat land about 10 metres wide between the toe of the slope and Fei Tsui Road.

The slope was first inspected by government consultant in August 1977 and registered as number 11SE-D/C42. Due to the presence of squatter huts above the slope crest, the consequence of failure was initially assessed as high. Therefore the slope received a high priority for a preliminary GEO stability study (also known as Stage 1 Study).

The study was carried out in September 1979. The results showed that a mechanism for failure could exist but the possibility of failure actually occurring was small. The consequence of failure was not considered high as it was judged that any failure debris would be contained within the flat grassed area at the slope toe and traffic on Fei Tsui Road would not be affected. A failure sufficiently large to affect the squatters above the slope crest was considered very unlikely.

The squatters were removed between 1989 and 1990.

The Baptist Church building was constructed between 1986 and 1987 at a distance of 25 metres from the toe of the slope on the other side of Fei Tsui Road.

Two minor failures occurred on the slope in 1987 and 1993, both being small rock slides with approximate volumes between 40 and 70 cubic metres. In both cases the failure debris came to rest in the flat grassed area between the slope toe and Fei Tsui Road. These two rock slides confirmed the existence of failure mechanisms and also the judgement that the debris would not affect the road.

Following the 1987 incident, the flat area at the slope toe was fenced off. Since then GEO has advised the Lands Department not to allocate the land for any use involving occupied structures, and to advise other potential users to take into account the previous instability of the slope when considering the suitability of the site for other purposes.

The failure on August 13 affected an area of the slope about 50 metres long and 30 metres high. The initial estimate of the volume is more than 5,000 cubic metres.

The detailed investigation now underway will explore all relevant information in order to obtain a full understanding of the causes of the failure. A specific objective of the investigation will be to examine why the volume of the landslip was much larger than foreseen and why the debris travelled as far as it did.

As regards the failure in Wong Chuk Hang, GEO said the hillside between Nam Long Shan Road and Shum Wan Road was modified by three types of man-made activity prior to the failure on August 13.

Near the crest of the landslip scar some cutting and filling of the original natural ground occurred during the construction of Nam Long Shan Road before 1945. A retaining wall on the outside edge of Nam Long Shan Road was removed by the landslip.

At the base of the hillside a small cut slope in weathered volcanic rock and soil was formed as part of the reclamation project for Po Chong Wan in 1978. It was registered as number 15NW-B/C77 in August 1984.

The slope was 84 metres long, with a maximum height of 10 metres, inclined at about 50 degree. As a roadside slope, it was classified as having a low to moderate consequence of failure. A short section of the southern part of the cut slope was not covered by debris from the recent failure. Most of the cut slope is now covered by the landslip debris. It is not yet known whether the cut slope had moved as part of the failure or stayed intact under the debris.

The failure on August 13 affected a large area of hillside. The width of the landslip scar varies from 65 metres to 90 metres and the height is about 70 metres. The current estimate of the volume is more than 20,000 cubic metres.

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Shark warning flags to be lowered

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The shark warning flags hoisted at eight Regional Council beaches in Sai Kung will be lowered tomorrow (Thursday).

The flags have been hoisted at these beaches for over 10 weeks since June 2. The beaches are Clear Water Bay First and Second, Campers, Hap Mun Bay, Kiu Tsui, Pak Sha Chau, Silverstrand and Trio.

A spokesman for the Recreation and Culture Branch said today (Wednesday) the decision to lower the flag was made in view that there had been no report of shark sighting for over two weeks. The last sighting was reported on July 30 at about 1.5 km off High Island Reservoir in Sai Kung.

However, precautionary measures would continue to be taken at Sai Kung beaches after the lowering of the flags since the fact that there had been no sightings did not necessarily mean there were no sharks in Hong Kong waters, he said.

"Apart from surveillance by the Government Flying Service, there will be close surveillance of the beach waters and monitoring of any sightings elsewhere.

"If members of the public want to swim at Sai Kung beaches, they are advised to go to Clear Water Bay Second Beach and Silverstrand where shark prevention nets have been installed.

"Although the installation of the shark nets is still a pilot scheme the results of which have to be evaluated and, of course, no such protection measure can be considered 100 per cent effective, nonetheless preliminary indications are that the nets do provide a barrier or obstacle to sharks," he added.

The spokesman strongly urged swimmers to heed any on- the-spot warning by lifeguards at the beaches. They are also advised to heed the following general advice:

* do not swim at dawn, at dusk or at night

* swim only at gazetted beaches

* do not swim alone

* do not swim if they are bleeding or have any open wounds

* leave the water if fish start to behave erratically or start to congregate in unusually large numbers

* leave the water as quickly and as calmly as possible if a large fish is sighted in the area

* if swimming on netted beaches, keep at least 20 metres from the inside edge of the nets

A total of seven swimming pools managed by the Regional Council will continue to open earlier at 6.30 am for the convenience of the public. They include the Sai Kung Public Swimming Pool, Tsuen King Circuit Wu Chung Public Swimming Pool, Sha Tin Jockey Club Public Swimming Pool, Hin Tin Public Swimming Pool in Sha Tin, Kwai Shing Swimming Pool, North Kwai Chung Jockey Club Public Swimming Pool, and Tai Po Public Swimming Pool.

Meanwhile, the daily operating hours of all 13 Urban Council swimming pool complexes have been extended by one hour from 6.30 am to 9.30 pm, to encourage greater use of the facilities there.

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Urban renewal consultation paper discussed

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The Land and Building Advisory Committee (LABC) today (Wednesday) discussed the consultation paper on urban renewal.

Chaired by Mr Cheng Hon Kwan, the committee was briefed on the package of proposals on urban renewal, which included:

(a) enhancing the role of the Land Development Corporation to help taking forward private projects with significant planning gain;

(b) granting more sites at concessionary premium to the Hong Kong Housing Society;

(c) linking redevelopment site which was not viable on its own with another site which was viable so that urban renewal schemes could benefit from cross-subsidy and;

(d) improving ex-gratia allowances and loans for business to be relocated.

The acting Secretary and Planning, Environment and Lands, Mr Canice Mak, said: "the proposals are designed to be as fair as possible and to balance the interests of the community as a whole with those people directly affected by urban renewal projects."

Members were of the view that rehousing in the process of urban renewal was one of the important issues to be dealt with.

At today's meeting the ad hoc working group of the committee to study the Building (Amendment) Bill reported that both the Government and respective professional bodies shared a common concern for building construction and demolition site safety, they agreed that new legislation, administrative guidelines and codes of practice were needed to further strengthen safety control of building works.

The committee would continue to discuss the respective duty of supervision of concerned professionals, the setting out of a supervision plan and the proposed system under which contractors would be registered as persons.

The committee was also briefed on the assessment of future land supply in the territories in 1994-95 to 2003-04. It was estimated that the supply of land with a higher degree of certainty will amount to a total of 5,071 hectares by 2003-04. In addition, there were about 443 hectares of land, which at present were low on priority in their production, can be produce faster if their development priority was upgraded.

As to the assessment of land requirements and land supply in 1994-95 to 2003-04, members noted that there was a projected surplus of 12.5 hectares of land for offices and 99.3 hectares of surplus of industrial land by 2006-07. The assessment of residential demand would be prepared separately in due course.

The committee was also informed that a study on the comprehensive assessment of redevelopment potential in the metro-areas of Hong Kong Island, Kowloon, New Kowloon and Tsuen Wan-Kwai Tsing was being carried out and expected to be completed next year.

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Approval granted for selling flags

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Approval has been granted to the Hong Kong Childhealth Foundation for selling flags in public places on Saturday (August 19), a spokesman for the Social Welfare Department said today (Wednesday).

The flag day, originally scheduled for last Saturday (August 12), was cancelled due to the hoisting of the No 8 typhoon signal on that day.

"Members of the public who have enquiries about the flag day may telephone 2892 5315 or call the department's hotline 2343 2255," the spokesman said.

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Staff reports in Chinese encouraged for better assessment

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The Civil Service Branch announced today (Wednesday) that, as part of the Government's policy to promote wider use of Chinese in the day-to-day management of the civil service, staff reports of more junior ranks can now be written in either Chinese or English.

The acting Deputy Secretary for the Civil Service, Mr F A Ramjahn said: "We have written to departments telling them that appraisal reports can be written in Chinese at junior levels."

"Some supervising officers at these levels find writing meaningful assessments in English rather difficult. This new approach should help improve performance appraisal and staff management."

In the past, all reports were supposed to be written in English unless a department could establish that the competency of the staff to complete reports in English was doubtful. This would no longer be necessary under the revised policy.

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Interruption of salt water supply to Chai Wan

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Consequent to the landslide at Fei Tsui Road, Chai Wan in the morning of August 13, a 24-inch diameter water pipe connecting the Chai Wan Salt Water Service Reservoir was damaged resulting in a complete interruption of salt water supply to the whole area of Chai Wan, Siu Sai Wan and Heng Fa Chuen.

A spokesman of the Water Supplies Department said today (Wednesday) with confirmation on the safety of using half of the service reservoir, the department had commenced temporary arrangement with a view to resuming salt water supply as early as possible.

He expected that a longer period of interruption was inevitable but upon the completion of the works being carried out, salt water supply to the general areas in Chai Wan would resume by the morning of Saturday (August 19).

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Hong Kong Monetary Authority money market operations

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	$ million	Time (hours)	Cumulative change ($million)
Opening balance in the account	1,476	0930	-149
Closing balance in the account	1,394	1000	-159
Change attributable to :		1100	-159
Money market activity	-162	1200	-162
LAF today	+80	1500	-162
		1600	-162

LAF rate 4.25% bid/6.25% offer TWI 122.1 *+1.1* 16.8.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.86	2 years	2708	6.06	99.69	6.32
1 month	5.79	3 years	3807	6.16	98.75	6.74
3 months	5.79	5 years	5006	6.60	97.19	7.43
6 months	5.82	5 years	M501	7.90	100.65	7.88
12 months	5.89					

Total turnover of EF bills and notes - $24,634 million

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