



Received by PRO
on 25 JUN 1993

DAILY INFORMATION BULLETIN

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

TUESDAY, JUNE 22, 1993

| <u>CONTENTS</u> | <u>PAGE NO.</u> |
|--|-----------------|
| EXCO APPROVES CIVIL SERVICE PAY ADJUSTMENT | 1 |
| NO MAJOR CHANGES IN ADMINISTRATIVE ARRANGEMENT BETWEEN GOVT AND HOUSING AUTHORITY | 2 |
| PRELIMINARY REPORTS ON HOIST ACCIDENT COMPLETED | 2 |
| DIRECTOR-GENERAL OF TRADE CAUTIONS AGAINST REGIONALISM | 3 |
| CONSUMER PRICE INDICES FOR MAY | 4 |
| REVIEW AIMS TO CHART CLEANER, GREENER PATH INTO NEXT CENTURY | 11 |
| THREE GOVT LOTS SOLD FOR \$936 MILLION | 12 |
| CONTRACT FOR SEWERAGE SYSTEMS SIGNED | 13 |
| RESEARCH GRANTS FOR TERTIARY INSTITUTIONS FOR 1993/94 | 13 |
| DUKE OF EDINBURGH'S AWARD GIVES PURPOSE TO LIFE | 16 |
| A HECTIC DAY OF DRAGON BOAT RACES | 16 |
| NO NOMINATION TODAY FOR LEGCO BY-ELECTION | 16 |
| HONG KONG GOVERNMENT EXCHANGE FUND TENDER RESULTS | 17 |
| HONG KONG GOVERNMENT EXCHANGE FUND MONEY MARKET OPERATIONS .. | 18 |

TUESDAY, JUNE 22, 1993

- 1 -

EXCO APPROVES CIVIL SERVICE PAY ADJUSTMENT
* * * * *

SENIOR CIVIL SERVANTS WILL RECEIVE A PAY RISE OF 9.76 PER CENT AND THEIR JUNIOR COUNTERPARTS AN INCREASE OF 10.66 PER CENT, BACKDATED TO APRIL 1 THIS YEAR.

THE EXECUTIVE COUNCIL DECIDED ON THIS LEVEL OF PAY ADJUSTMENT TODAY (TUESDAY) AFTER CAREFUL CONSIDERATION OF THE VIEWS EXPRESSED BY THE STAFF SIDE OF THE CENTRAL CONSULTATIVE COUNCILS, OVERALL STAFF RESPONSE AND PUBLIC REACTION TO THE PAY OFFER.

MEMBERS ARE FULLY AWARE OF STAFF SENTIMENT ON A RANGE OF ISSUES CONCERNING THEIR PAY AND CONDITIONS OF SERVICE AND RECOGNISE THE IMPORTANCE OF MAINTAINING AN EFFICIENT AND SATISFIED CIVIL SERVICE.

THE SECRETARY FOR THE CIVIL SERVICE WILL MEET WITH THE STAFF SIDE OF THE CENTRAL CONSULTATIVE COUNCILS TO ADDRESS THEIR CONCERNS.

AS REGARDS THE PAY ADJUSTMENT THIS YEAR, THE ACTING SECRETARY FOR THE CIVIL SERVICE, MR STUART HARBINSON, SAID THE PAY ADJUSTMENT FOLLOWED THE NET PAY TREND INDICATORS WHICH REFLECTED THE AVERAGE INCREASES IN SALARIES OVER THE PAST YEAR FOR PRIVATE SECTOR EMPLOYEES.

"CIVIL SERVANTS IN THE LOWER PAY BAND ARE OFFERED SLIGHTLY HIGHER INCREASES THAN THE PAY TREND INDICATORS, SO AS NOT TO WIDEN THE GAP BETWEEN THE SALARIES OF LOWER PAID STAFF AND THE SENIOR STAFF," MR HARBINSON SAID.

"THE PAY ADJUSTMENT IS FAIR AND REASONABLE. IT ENABLES ALL CIVIL SERVANTS TO ENJOY REAL GROWTH IN THEIR SALARIES," HE ADDED.

RESPONDING TO THE STAFF SIDE'S PAY CLAIMS, MR HARBINSON SAID THE ESTABLISHED POLICY WAS FOR EACH PAY ADJUSTMENT TO BE TREATED AS A SEPARATE AND INDEPENDENT EXERCISE DETERMINED ON THE BASIS OF PREVAILING CIRCUMSTANCES.

"THEREFORE, WE HAVE DIFFICULTY IN PRINCIPLE WITH THE SUGGESTION THAT WE SHOULD MAKE UP ANY 'SHORTFALL' FROM PREVIOUS YEARS," HE STATED.

THE STAFF SIDE OF THE FOUR CIVIL SERVICE CONSULTATIVE COUNCILS HAVE ASKED FOR PAY INCREASES OF 13.28 PER CENT FOR THE UPPER PAY BAND AND 14.18 PER CENT FOR THE MIDDLE AND LOWER PAY BANDS TO TAKE INTO ACCOUNT THE DIFFERENCES BETWEEN THE NET PAY TREND INDICATORS AND THE ACTUAL PAY AWARDS IN 1990 AND 1991.

THE COST OF THE PAY ADJUSTMENT FOR THE CIVIL SERVICE AND SUBVENTED ORGANISATIONS IS ESTIMATED TO BE \$5.6 BILLION IN 1993/94.

SUBJECT TO THE PROVISION OF FUNDS BY THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL, MR HARBINSON SAID CIVIL SERVANTS WOULD RECEIVE THE REVISED SALARIES, DATING BACK TO APRIL 1, AT THE END OF JULY.

- - - - 0 - - - -

/2

TUESDAY, JUNE 22, 1993

- 2 -

NO MAJOR CHANGES IN ADMINISTRATIVE ARRANGEMENT BETWEEN GOVT
AND HOUSING AUTHORITY

* * * * *

COMMENTING ON PRESS REPORTS SPECULATING THAT THE HOUSING AUTHORITY WOULD COME UNDER THE PLANNING, ENVIRONMENT AND LANDS BRANCH, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON TODAY (TUESDAY) SAID THERE WERE NO PROPOSALS FOR ANY MAJOR CHANGE CONCERNING THE GOVERNMENT'S ADMINISTRATIVE ARRANGEMENTS WITH THE HOUSING AUTHORITY.

"AS I STAND UP IN THE LEGISLATIVE COUNCIL TO ANSWER QUESTIONS ON HOUSING, IT WOULD BE NATURAL THAT THERE SHOULD BE CLOSER AND SLIGHTLY WIDER RELATIONSHIP BETWEEN THE HOUSING DEPARTMENT, THE HOUSING AUTHORITY AND MY BRANCH," HE SAID.

"BUT THIS SHOULD NOT BE INTERPRETED AS INDICATING MAJOR CHANGES IN THE EXISTING ORGANISATION BUT ONLY A MODEST ADJUSTMENT IN WORKING RELATIONSHIPS. NOR IS ANY REAL OR IMPLIED CRITICISM OF THE HOUSING AUTHORITY OR THE HOUSING DEPARTMENT INTENDED. THEY HAVE MY GREATEST RESPECT," MR EASON ADDED.

- - - - 0 - - - -

PRELIMINARY REPORTS ON HOIST ACCIDENT COMPLETED

* * * * *

A SPOKESMAN FOR THE EDUCATION AND MANPOWER BRANCH SAID TODAY (TUESDAY) THAT TWO PRELIMINARY REPORTS ON THE PASSENGER HOIST ACCIDENT AT A NORTH POINT CONSTRUCTION SITE EARLY THIS MONTH HAD BEEN SUBMITTED TO THE SECRETARY FOR EDUCATION AND MANPOWER FOR CONSIDERATION.

THE REPORTS, BASED ON THE INITIAL INVESTIGATIONS BY THE LABOUR DEPARTMENT AND THE ELECTRICAL AND MECHANICAL SERVICES DEPARTMENT, HAVE IDENTIFIED A NUMBER OF ISSUES WHICH NEED TO BE LOOKED AT IN GREATER DETAIL.

THESE INCLUDE THE CAUSES LEADING TO THE FAILURE OF THE DRIVING MECHANISM AND THE FAIL-SAFE SYSTEM OF THE PASSENGER HOIST IN QUESTION.

THE SPOKESMAN SAID IT WOULD NOT BE APPROPRIATE AT THIS STAGE TO DISCLOSE THE CONTENT OF THE REPORTS PENDING THE HEARING OF THE INQUEST.

MEANWHILE, THE SPOKESMAN ADDED, THE SECRETARY FOR WORKS WOULD SET UP SHORTLY A GOVERNMENT WORKING GROUP, INVOLVING RELEVANT POLICY BRANCHES AND DEPARTMENTS, TO REVIEW THE ADEQUACY OF EXISTING REGULATIONS AND CONTROL OF HEAVY MACHINERY, THAT IS, TOWER CRANES AND PASSENGER HOISTS, WHICH POSE POTENTIAL RISKS TO THE OPERATORS AS WELL AS THE PUBLIC.

THE WORKING GROUP IS EXPECTED TO PRODUCE ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNMENT IN ABOUT SIX MONTHS' TIME.

- - - - 0 - - - -

DIRECTOR-GENERAL OF TRADE CAUTIONS AGAINST REGIONALISM

* * * * *

THE DIRECTOR-GENERAL OF TRADE, MR TONY MILLER, TODAY (TUESDAY) SAID THE PURSUIT OF REGIONAL CO-OPERATION MUST NOT RESULT IN ARRANGEMENTS WHICH WERE INWARD LOOKING AND DISCRIMINATORY AGAINST OUTSIDE ECONOMIES.

WHILE SPEAKING ON HONG KONG'S PARTICIPATION IN ASIA PACIFIC ECONOMIC CO-OPERATION (APEC) AT A LUNCHEON OF THE HONG KONG EXPORTERS' ASSOCIATION, MR MILLER SAID HONG KONG WAS FIRMLY COMMITTED TO THE MULTILATERAL APPROACH TO TRADE.

HONG KONG SAW APEC AS A FORUM WHICH WAS COMPLEMENTARY TO THE GATT.

"WE ARE STRONGLY OF THE VIEW THAT REGIONAL INITIATIVES SHOULD NOT BECOME POLICY ALTERNATIVES TO THE MULTILATERAL TRADING SYSTEM UNDER THE GATT," HE SAID.

HE SAID HONG KONG DID NOT WANT TO SEE APEC BECOMING A TRADE BLOC, OR ANOTHER SO-CALLED FREE TRADE AREA.

MR MILLER NOTED THAT A NUMBER OF IDEAS FOR A MORE STRUCTURED REGIONAL TRADE RELATIONSHIP HAD EMERGED SINCE APEC STARTED, AMONG THEM THE PACIFIC FREE TRADE AREA (PAFTA) AND THE EAST ASIA ECONOMIC CAUCUS (EAEC).

"AS AN ECONOMY THAT HAD THRIVED ON FREE ENTERPRISE AND FREE TRADE, WE MUST NOT LOSE SIGHT OF THE ADVERSE IMPLICATIONS AND CONSEQUENCES OF REGIONALISM, NO MATTER HOW SUPERFICIALLY APPEALING THE CONCEPT," HE SAID.

ALL SELECTIVE TRADE GROUPINGS DISTORT GLOBAL TRADE AND INVESTMENT FLOWS TO SOME DEGREE. THEY ARE THEREFORE ONLY A POOR SECOND BEST TO GENUINELY FREE GLOBAL TRADE, HE ADDED.

THE NEW IDEA OF A PAFTA HAD FIRST BEEN FLOATED BY DR FRED BERGSTEN, CHAIRMAN OF THE EMINENT PERSONS GROUP OF APEC IN MARCH THIS YEAR.

SEPARATELY, DR MAHATHIR MOHAMAD, PRIME MINISTER OF MALAYSIA, HAD MOOTED IN DECEMBER 1990 THE IDEA OF AN ASIAN TRADING BLOC CALLED THE EAST ASIAN ECONOMIC GROUP (EAEG) TO COUNTER THE THREAT POSED BY OTHER BLOCS, SUCH AS THE EC.

THE PROPOSED BLOC MIGHT INCLUDE THE ECONOMIES IN ASIA, BUT NOT THE NORTH AMERICAN COUNTRIES, AUSTRALIA AND NEW ZEALAND.

"GIVEN HONG KONG'S FIRM COMMITMENT TO THE MULTILATERAL SYSTEM AND AN EARLY AND SUCCESSFUL CONCLUSION OF THE URUGUAY ROUND, WE ARE CONCERNED AT THE WRONG SIGNALS THAT TALK OF THIS TYPE OF ARRANGEMENT WOULD SEND IN THE CLOSING MONTHS OF THE URUGUAY ROUND GATT NEGOTIATIONS.

/"HONG KONG

"HONG KONG IS INTERESTED IN REGIONAL ECONOMIC CO-OPERATION, BUT WE ARE ONLY WILLING TO CONSIDER ANY OF THESE PROPOSALS IF THEY ARE GATT-CONSISTENT, OUTWARD-LOOKING AND LIBERAL."

"GENERALLY SPEAKING, WE FEEL THAT THE BEST APPROACH TO WORLD TRADE IS AN OPEN, TRANSPARENT AND MULTILATERAL REGIME. WHAT HONG KONG WANTS OUT OF THE APEC MINISTERIAL IN NOVEMBER THIS YEAR IS A RINGING ENDORSEMENT OF THE GATT SYSTEM AND A RENEWED COMMITMENT TO COMPLETING THE URUGUAY ROUND THIS YEAR," HE SAID.

THE DIRECTOR-GENERAL NOTED THAT APEC WAS AN INTER-GOVERNMENTAL FORUM INITIATED IN AUSTRALIA IN 1989, AND THAT IT ACTED AS A FORUM FOR POLICY CO-ORDINATION AND EXCHANGE OF INFORMATION.

IT NOW COMPRISES 15 MEMBERS: AUSTRALIA, BRUNEI DARUSSALAM, CANADA, CHINA, CHINESE TAIPEI, HONG KONG, INDONESIA, JAPAN, MALAYSIA, NEW ZEALAND, THE PHILIPPINES, SINGAPORE, SOUTH KOREA, THAILAND AND THE U.S.

HONG KONG TOOK AN ACTIVE PART IN APEC ACTIVITIES, HE SAID.

APART FROM THE INVOLVEMENT OF DR VICTOR FUNG IN THE EMINENT PERSONS GROUP AND THE SECONDMENT OF AN ADMINISTRATIVE OFFICER TO THE APEC SECRETARIAT IN SINGAPORE, HONG KONG CONTRIBUTES TO THE APEC PROCESS BY PARTICIPATING IN THE VARIOUS APEC WORKING GROUPS AND ATTENDING THE SENIOR OFFICIALS' MEETINGS AND MINISTERIAL MEETINGS.

TO SUSTAIN THE WORK PROGRAMME IN APEC, HONG KONG CONTRIBUTED 2.75 PER CENT OF THE 1993 APEC BUDGET ACCORDING TO A FUNDING FORMULA AGREED AT THE APEC IV MINISTERIAL MEETING IN BANGKOK LAST YEAR.

MR MILLER WILL BE ATTENDING A MEETING OF APEC SENIOR OFFICIAL REPRESENTATIVES IN SEATTLE NEXT WEEK.

- - - - 0 - - - -

CONSUMER PRICE INDICES FOR MAY

* * * * *

THE CONSUMER PRICE INDEX (A) IN MAY ROSE BY 8.5% OVER THE SAME MONTH LAST YEAR, ACCORDING TO THE FIGURES RELEASED TODAY (TUESDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

THE HIGHER PRICES OF FRESH VEGETABLES FEATURE IN THE MAY FIGURES.

COMMENTING ON THE LATEST FIGURES, THE GOVERNMENT ECONOMIST, MR K Y TANG SAID:

/"ALTHOUGH THIS

"ALTHOUGH THIS LATEST INCREASE IS FASTER THAN THE CORRESPONDING YEAR-ON-YEAR RATES OF INCREASE OF 7.8% IN MARCH AND 7.7% IN APRIL, IT IS STILL SLOWER THAN THOSE IN JANUARY AND FEBRUARY, AT 10.1% AND 8.6%. ALSO IT IS THE SAME AS THE AVERAGE INCREASE OF 8.5% RECORDED FOR THE FIRST FOUR MONTHS TAKEN TOGETHER.

"IN THE LIGHT OF PRICE VOLATILITY IN SOME OF THE CONSUMER ITEMS, PARTICULARLY FRESH FOOD, IT IS BETTER TO READ THE FIGURES FOR SEVERAL MONTHS COMBINED RATHER THAN JUST FOR A SINGLE MONTH. THE AVERAGE INCREASE RECORDED SO FAR IS ONE PERCENTAGE POINT BELOW THE ANNUAL FORECAST OF A 9.5% INCREASE IN THE CPI(A) FOR 1993."

THE CPI(B) AND THE HANG SENG CPI WERE HIGHER BY 8.8% AND 9.8% RESPECTIVELY IN MAY THAN IN THE SAME MONTH LAST YEAR. THE CORRESPONDING INCREASES IN APRIL WERE 8.5% AND 9.5%.

THE COMPOSITE CPI, WHICH WAS COMPILED BASED ON THE COMBINED EXPENDITURE PATTERN OF HOUSEHOLDS COVERED BY THE THREE CPI'S, SHOWED AN INCREASE OF 8.9% IN MAY OVER THE SAME MONTH LAST YEAR. THE CORRESPONDING INCREASE IN APRIL WAS 8.5%.

THE RELATIVELY HIGHER YEAR-ON-YEAR RATES OF INCREASE IN THE CPI'S IN MAY WERE MAINLY DUE TO A REBOUND IN THE PRICES OF FRESH VEGETABLES AFTER THE SIGNIFICANT DECLINES IN THE PREVIOUS TWO MONTHS, WHICH LIFTED THE BASIC FOOD COMPONENT OF THE CPI'S.

FOR MOST OTHER COMPONENTS SUCH AS HOUSING, MEALS AT RESTAURANTS, CLOTHING AND FOOTWEAR, AND CONSUMER SERVICES, THE PRICE INCREASES REMAINED ON A MODERATING TREND.

COMPARING MAY 1993 WITH MAY 1992, RELATIVELY SLOWER INCREASES IN PRICES WERE RECORDED FOR DURABLE GOODS (1.8% IN BOTH CPI(A) AND CPI(B)); FUEL AND LIGHT (3.3% IN BOTH CPI(A) AND CPI(B)); FOOD EXCLUDING MEALS AT RESTAURANTS (5.6% IN THE CPI(A) AND 5.3% IN THE CPI(B)); MISCELLANEOUS GOODS (7.1% AND 6.5%); AND CLOTHING AND FOOTWEAR (7.7% AND 8.1%).

ON THE OTHER HAND, RELATIVELY FASTER INCREASES IN PRICES WERE RECORDED FOR HOUSING (12.8% IN CPI(A) AND 14% IN THE CPI(B)); ALCOHOLIC DRINKS AND TOBACCO (9.6% AND 8.9%); AND TRANSPORT (9.1% AND 8.5%).

AS FOR SERVICES AND MEALS AT RESTAURANTS, THEIR CORRESPONDING INCREASES WERE 8.7% AND 8.8% IN THE CPI(A) AND 7.9% AND 8.8% IN THE CPI(B).

COMPARING MAY 1993 WITH APRIL 1993, THE CPI(A) AND CPI(B) BOTH INCREASED BY 0.7%. THIS COMPARISON WAS, HOWEVER, AFFECTED BY SEASONAL FACTORS.

FOR THE PERIOD FROM JANUARY TO MAY 1993, THE CPI(A) AND CPI(B) WERE, ON AVERAGE, HIGHER BY 8.5% AND 9% RESPECTIVELY THAN IN THE CORRESPONDING PERIOD IN 1992.

TUESDAY, JUNE 22, 1993

- 6 -

FOR THE 12 MONTHS ENDING MAY 1993, THE CPI(A) AND CPI(B) WERE, ON AVERAGE, HIGHER BY 8.9% AND 9.4% RESPECTIVELY THAN IN THE PRECEDING 12-MONTH PERIOD.

SEASONALLY ADJUSTED SERIES ARE ALSO AVAILABLE FOR THE INDICES. THE DESEASONALISED CPI(A) AND CPI(B) BOTH INCREASED AT AN AVERAGE RATE OF 0.7% A MONTH DURING THE THREE MONTHS ENDING MAY 1993.

THE CONSUMER PRICE INDEX REPORT

MORE DETAILS ARE GIVEN IN THE "CONSUMER PRICE INDEX REPORT" FOR MAY 1993, WHICH IS AVAILABLE AT \$12 A COPY FROM THE GOVERNMENT PUBLICATIONS CENTRE, GENERAL POST OFFICE BUILDING, GROUND FLOOR, CONNAUGHT PLACE, HONG KONG; OR FROM THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER, 12 HARBOUR ROAD, WAN CHAI, HONG KONG.

FOR LOCAL AND OVERSEAS MAILINGS, CONTACT SHOULD BE MADE WITH THE INFORMATION SERVICES DEPARTMENT, FRENCH MISSION BUILDING, 1 BATTERY PATH, HONG KONG.

FOR ENQUIRIES ABOUT THE INDICES, PLEASE TELEPHONE THE CONSUMER PRICE INDEX SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON 805 6403.

DETAILS REGARDING THE HANG SENG CPI ARE CONTAINED IN THE HANG SENG CPI REPORT ISSUED BY THE ECONOMIC RESEARCH DEPARTMENT OF HANG SENG BANK LTD.

/Table 1

Table 1 Consumer Price Indices and Rates of Increase for May 1993
(Oct. 89 - Sep. 90 = 100)

| Component | CPI(A) | | CPI(B) | | Hang Seng CPI | | Composite CPI | |
|---|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | Index for May 93 | % change over May 92 | Index for May 93 | % change over May 92 | Index for May 93 | % change over May 92 | Index for May 93 | % change over May 92 |
| Food | 131.6 | +7.2 | 133.0 | +7.4 | 132.8 | +8.4 | 132.4 | +7.5 |
| Meals bought away from home | 139.8 | +8.8 | 139.6 | +8.8 | 137.4 | +10.1 | 139.2 | +9.0 |
| Food, excluding meals bought away from home | 123.5 | +5.6 | 123.7 | +5.3 | 125.0 | +5.3 | 123.8 | +5.4 |
| Housing | 145.6 | +12.8 | 146.6 | +14.0 | 148.6 | +14.4 | 146.9 | +13.7 |
| Fuel and light | 119.5 | +3.3 | 118.9 | +3.3 | 119.1 | +3.7 | 119.2 | +3.4 |
| Alcoholic drinks and tobacco | 176.7 | +9.6 | 166.9 | +8.9 | 162.7 | +8.7 | 171.3 | +9.2 |
| Clothing and footwear | 129.8 | +7.7 | 131.4 | +8.1 | 143.4 | +11.0 | 135.1 | +9.1 |
| Durable goods | 109.2 | +1.8 | 108.9 | +1.8 | 114.0 | +4.1 | 110.5 | +2.5 |
| Miscellaneous goods | 123.1 | +7.1 | 121.2 | +6.5 | 120.4 | +6.2 | 121.7 | +6.7 |
| Transport | 136.2 | +9.1 | 135.2 | +8.5 | 134.6 | +7.7 | 135.4 | +8.5 |
| Services | 138.0 | +8.7 | 135.1 | +7.9 | 129.6 | +6.6 | 134.3 | +7.8 |
| All items | 134.5 | +8.5 | 134.8 | +8.8 | 136.3 | +9.8 | 135.1 | +8.9 |

The 1989/90-based consumer price indices are based on the expenditure patterns derived from the 1989/90 Household Expenditure Survey. The CPI(A) is based on the expenditure pattern of about 50% of urban households in Hong Kong, which had an average monthly expenditure of \$2,500-\$9,999 in 1989/90. The CPI(B) is based on the expenditure pattern of the next 30% of urban households, which had an average monthly expenditure of \$10,000-\$17,499 in the same period. The Hang Seng CPI is based on the expenditure pattern of the next 10% of urban households, which had an average monthly expenditure of \$17,500-\$37,499 in 1989/90.

Whereas the CPI(A), CPI(B) and Hang Seng CPI are based on the expenditure patterns of groups of households with different magnitudes of household expenditure, the Composite CPI is compiled based on the expenditure pattern of all these households taken together. Thus, while the CPI(A), CPI(B) and Hang Seng CPI show the impact of consumer price changes on different groups of households, the Composite CPI shows the impact of consumer price changes on the household sector generally.

Table 2 Consumer Price Indices for January 1991 - May 1993
(Oct. 89 - Sep. 90 = 100)

| <u>Year/month</u> | <u>CPI (A)</u> | <u>CPI (B)</u> | <u>Hang Seng CPI</u> | <u>Composite CPI</u> |
|-------------------|----------------|----------------|----------------------|----------------------|
| 1991 January | 108.3 | 108.4 | 108.6 | 108.4 |
| February | 110.3 | 110.1 | 110.2 | 110.2 |
| March | 111.9 | 111.1 | 110.7 | 111.3 |
| April | 113.9 | 113.0 | 112.0 | 113.1 |
| May | 114.0 | 113.6 | 113.4 | 113.7 |
| June | 114.6 | 114.1 | 113.9 | 114.2 |
| July | 115.4 | 114.8 | 113.9 | 114.8 |
| August | 116.0 | 115.3 | 114.6 | 115.4 |
| September | 116.8 | 116.1 | 115.8 | 116.3 |
| October | 117.2 | 116.8 | 117.4 | 117.1 |
| November | 117.7 | 117.6 | 118.7 | 117.9 |
| December | 118.1 | 118.3 | 118.5 | 118.3 |
| 1992 January | 119.7 | 119.3 | 119.4 | 119.5 |
| February | 121.8 | 121.2 | 121.0 | 121.4 |
| March | 122.5 | 121.9 | 121.8 | 122.1 |
| April | 124.0 | 123.4 | 122.9 | 123.5 |
| May | 124.0 | 123.8 | 124.2 | 124.0 |
| June | 125.3 | 125.1 | 125.2 | 125.2 |
| July | 125.5 | 125.4 | 125.4 | 125.4 |
| August | 125.6 | 125.9 | 125.8 | 125.8 |
| September | 128.3 | 127.9 | 127.5 | 128.0 |
| October | 128.4 | 128.4 | 128.6 | 128.5 |
| November | 128.5 | 129.0 | 129.9 | 129.0 |
| December | 129.3 | 129.8 | 130.0 | 129.7 |
| 1993 January | 131.8 | 131.6 | 131.5 | 131.7 |
| February | 132.4 | 132.2 | 132.0 | 132.2 |
| March | 132.0 | 132.2 | 133.1 | 132.4 |
| April | 133.5 | 133.9 | 134.5 | 133.9 |
| May | 134.5 | 134.8 | 136.3 | 135.1 |

Chart 1 Year-on-year Rates of Increase in CPI(A)

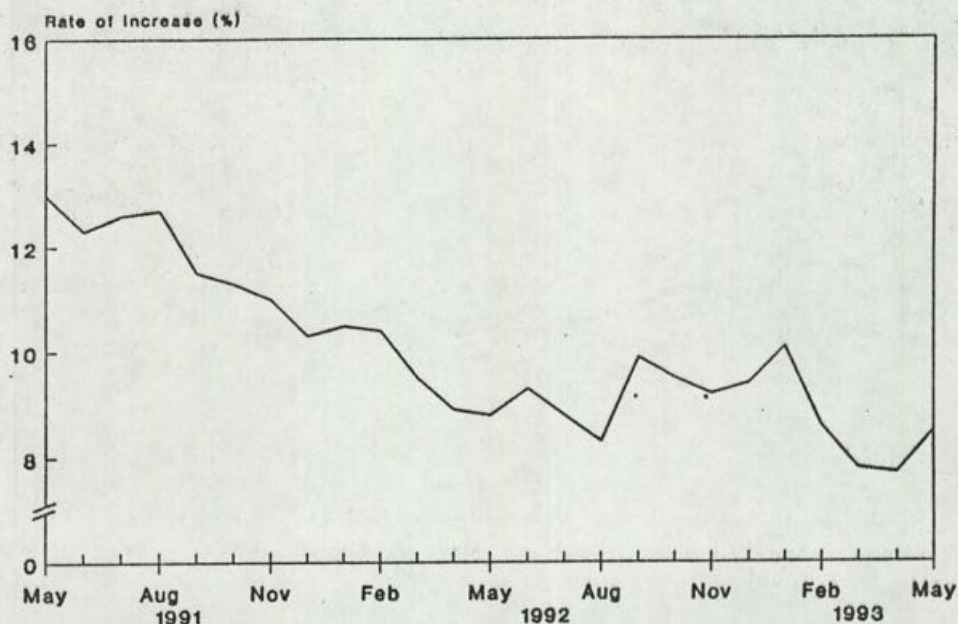
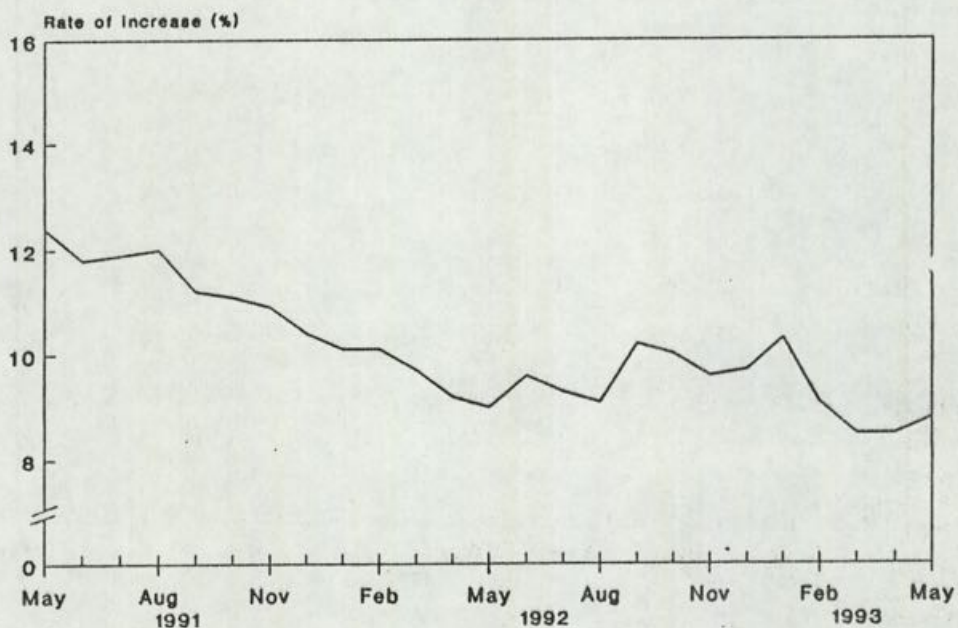


Chart 2 Year-on-year Rates of Increase in CPI(B)



/Chart 3

Chart 3 Year-on-year Rates of Increase in Hang Seng CPI

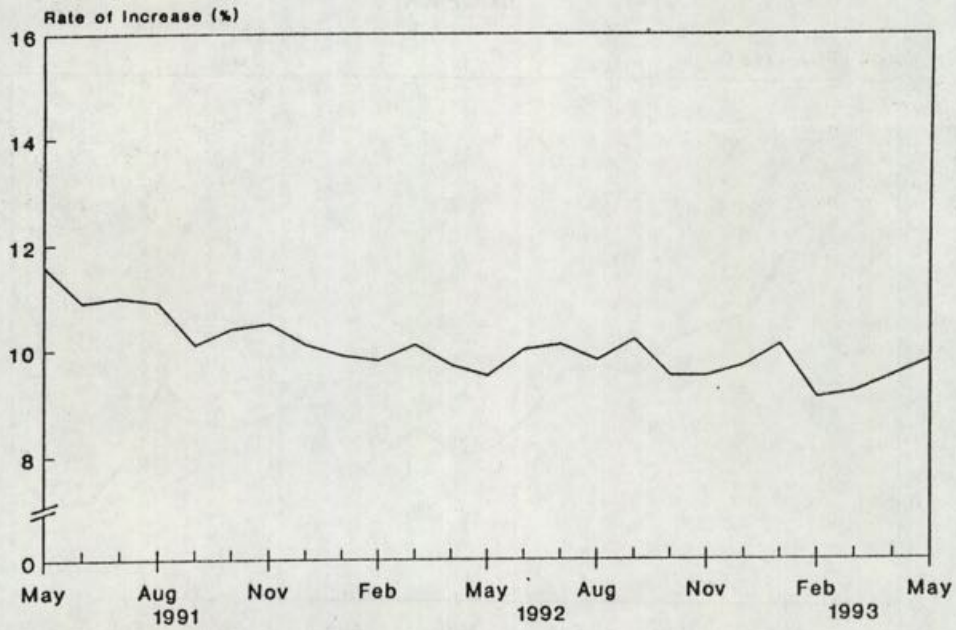
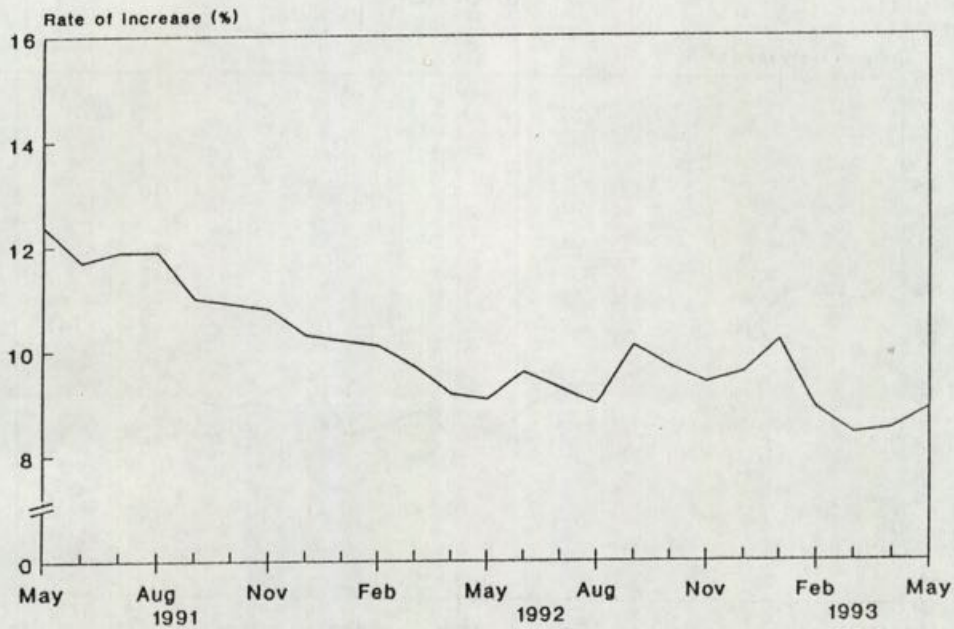


Chart 4 Year-on-year Rates of Increase in Composite CPI



REVIEW AIMS TO CHART CLEANER, GREENER PATH INTO NEXT CENTURY

* * * * *

THE 1993 ENVIRONMENTAL WHITE PAPER REVIEW AIMS TO BRING HOME TO THE COMMUNITY, AS A WHOLE AND AS INDIVIDUALS, THE PROBLEMS WE ARE FACING AND HOW WE MIGHT CHART A CLEANER, GREENER PATH INTO THE 21ST CENTURY.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, AT A LUNCHEON MEETING OF THE AMERICAN CHAMBER OF COMMERCE TODAY (TUESDAY).

MR EASON SAID ONE OF THE MAJOR THEMES OF THE REVIEW, CONDUCTED BIENNIALLY, WOULD BE COMMUNITY INVOLVEMENT AND ENVIRONMENTAL EDUCATION IN ORDER TO BRING ACROSS THE MESSAGE THAT CARING FOR THE ENVIRONMENT WAS A RESPONSIBILITY FOR ALL.

HE SAID THE COMMERCE AND INDUSTRY SECTORS HAD POSSIBLY A GREATER RESPONSIBILITY AND PRESSURE TO MEET THESE ENVIRONMENTAL CONCERNS HAD COME NOT SOLELY FROM THE GOVERNMENT BUT ALSO FROM TODAY'S GLOBAL MARKETS.

THEY WERE FORCING THE MANUFACTURING INDUSTRY TO BECOME MORE COMPETITIVE BY CONTINUING UPGRADING INDUSTRIAL TECHNOLOGY AND MANUFACTURING PROCESSES.

MR EASON SAID THE 1993 REVIEW WOULD CONTAIN IDEAS TO ENCOURAGE INDUSTRY TO ACCEPT THAT COMPLYING WITH ENVIRONMENTAL CONTROLS WAS PART OF FACING UP TO SUCH GLOBAL COMPETITIVE PRESSURES.

OTHER SIGNIFICANT STEPS TAKEN INCLUDED THE FUNDING OF THE CENTRE OF ENVIRONMENTAL TECHNOLOGY BY THE PRIVATE SECTOR COMMITTEE ON THE ENVIRONMENT AND THE UNITED STATES ASIAN ENVIRONMENTAL PARTNERSHIP WHICH WOULD BE SET UP IN HONG KONG.

MR EASON SAID AS THE REVIEW THIS YEAR WOULD BE VERY WIDE-RANGING AND QUITE DETAILED, IT WAS NOT PRACTICABLE TO HAVE EXTENSIVE CONSULTATION ON ITS DRAFTING.

"THE IDEA IS TO REPORT PROGRESS AND PUT OUT FRESH IDEAS FOR DISCUSSION; NOT TO START, HOLD AND CONCLUDE THE DEBATE ON EVERY ENVIRONMENTAL ISSUE BEFORE WE PUBLISH.

"REMEMBER, THE NEXT REVIEW IS ONLY TWO YEARS AWAY. THE ENVIRONMENTAL DEBATE IS ON-GOING AND MANY INDIVIDUAL PROBLEMS REQUIRE AND GET SEPARATE CONSULTATION EXERCISES BETWEEN REVIEWS," HE SAID.

"THE 1993 WHITE PAPER REVIEW WILL MAP OUT WHERE WE THINK WE SHOULD BE GOING OVER THE NEXT FEW YEARS TO ENSURE THAT THE ENVIRONMENTAL MISTAKES WE MADE IN BUILDING AN ECONOMICALLY SUCCESSFUL HONG KONG ARE NOT FORGOTTEN AS HONG KONG CONSOLIDATES ITS SUCCESS," HE ADDED.

THREE GOVT LOTS SOLD FOR \$936 MILLION

* * * * *

THREE PIECES OF GOVERNMENT LAND FETCHED A TOTAL OF \$936 MILLION AT A PUBLIC AUCTION BY THE BUILDINGS AND LANDS DEPARTMENT THIS (TUESDAY) AFTERNOON.

TOPPING THE LIST IS THE LOT LOCATED AT KAU TO, AREA 46, JUNCTION OF KAU TO SHAN ROAD AND MA LING PATH, SHA TIN, NEW TERRITORIES.

IT WAS SOLD TO PERFECT PARADISE INTERNATIONAL (LTD) AT \$505 MILLION WITH BIDDING OPENING AT \$270 MILLION.

THE LOT, WITH AN AREA OF ABOUT 15,320 SQUARE METRES, IS INTENDED FOR RESIDENTIAL USE.

ACCORDING TO THE BUILDING CONVENANT, THE DEVELOPER HAS TO COMPLETE A GROSS FLOOR AREA OF NOT LESS THAN 5,544 SQUARE METRES ON OR BEFORE JUNE 30, 1996.

THE SECOND LOT, LOCATED AT AREA 11, JUNCTION OF ON SHUM STREET AND ON LAI STREET, SHA TIN, NEW TERRITORIES, WAS BOUGHT BY SEA DRAGON LTD AT \$385 MILLION. BIDDING OPENED AT \$190 MILLION.

WITH AN AREA OF ABOUT 4,000 SQUARE METRES, IT IS DESIGNATED FOR INDUSTRIAL AND/OR GODOWN (EXCLUDING DANGEROUS GOODS GODOWN) PURPOSES.

THE DEVELOPER HAS TO COMPLETE A GROSS FLOOR AREA OF NOT LESS THAN 22,800 SQUARE METRES ON OR BEFORE JUNE 30, 1997.

THE REMAINING LOT IN TAK YIP STREET, TUNG TAU INDUSTRIAL AREA, YUEN LONG, NEW TERRITORIES, WAS BOUGHT BY REDDIWOOD CO LTD AT \$46 MILLION WITH BIDDING OPENING AT \$36 MILLION.

THE LOT HAS AN AREA OF ABOUT 3,030 SQUARE METRES, WHICH IS INTENDED FOR GODOWN (EXCLUDING DANGEROUS GOODS) PURPOSES.

THE DEVELOPER HAS TO COMPLETE A GROSS FLOOR AREA OF NOT LESS THAN 17,271 SQUARE METRES ON OR BEFORE JUNE 30, 1996.

THE LAND AUCTION WAS CONDUCTED BY GOVERNMENT LAND AGENT, MR LEUNG LOK-YIU, IN THE CITY HALL THEATRE.

CONTRACT FOR SEWERAGE SYSTEMS SIGNED

* * * * *

THE WATER QUALITY OF THE TOLO HARBOUR AND THE SANITARY CONDITION OF VILLAGES IN SHA TIN WILL BE IMPROVED AFTER CONSTRUCTION WORKS FOR THE SEWERAGE SYSTEMS IN THE VILLAGES ARE COMPLETED IN JANUARY 1995.

THE CONTRACT FOR THE \$52.28 MILLION WORKS WAS SIGNED TODAY (TUESDAY) BY THE ACTING ASSISTANT DIRECTOR OF DRAINAGE SERVICES (PROJECTS AND DEVELOPMENT), MR CLEMENT LAU, AND A REPRESENTATIVE OF THE CONTRACTOR, SHUN YUEN CONSTRUCTION COMPANY LIMITED.

CONTRACT WORKS INCLUDE THE CONSTRUCTION OF GRAVITY SEWERAGE SYSTEMS, PUMPING STATIONS, AN INTERCEPTOR CHAMBER AND HYDRO-BRAKE CHAMBER IN 14 VILLAGES.

THE VILLAGES ARE HEUNG FAN LIU (EASTERN PART), PAK TIN, TIN SUM, KAK TIN, HA KENG HAU, SHEUNG KENG HAU, HIN TIN, TAI WAI, SHA TIN TAU, TSANG TAI UK, SHA TIN WAI, TO SHEK, CHAP WAI KON AND NGAU PEI SHA.

THE WORKS WHICH FORMS PART OF THE TOLO HARBOUR SEWERAGE OF UNSEWERED AREAS SCHEME WILL BEGIN NEXT WEEK.

MR LAU NOTED THAT AT PRESENT THERE WERE NO PROPER SEWERAGE SYSTEMS IN THESE VILLAGES AND THE UNTREATED SEWAGE WERE DISCHARGED THROUGH STREAMS INTO THE TOLO HARBOUR.

WHEN THE SCHEME IS FULLY COMPLETED, ALL SEWAGE FROM UNSEWERED DEVELOPMENTS AT 165 LOCATIONS WITHIN THE TOLO HARBOUR CATCHMENT WILL BE COLLECTED AND TREATED BEFORE DISPOSAL.

"THIS WILL FURTHER IMPROVE THE WATER QUALITY OF THE TOLO HARBOUR AS WELL AS THE SANITARY CONDITIONS OF THE VILLAGES," MR LAU SAID.

- - - - 0 - - - -

RESEARCH GRANTS FOR TERTIARY INSTITUTIONS FOR 1993/94

* * * * *

THE RESEARCH GRANTS COUNCIL (RGC) TODAY (TUESDAY) ANNOUNCED ITS DECISIONS ON THE ALLOCATION OF THE \$156 MILLION FOR RESEARCH GRANTS TO THE SEVEN INSTITUTIONS FUNDED BY THE UNIVERSITY AND POLYTECHNIC GRANTS COMMITTEE (UPGC) IN 1993/94.

THE SEVEN UPGC-FUNDED INSTITUTIONS ARE CITY POLYTECHNIC OF HONG KONG, HONG KONG BAPTIST COLLEGE, HONG KONG POLYTECHNIC, LINGNAN COLLEGE, THE CHINESE UNIVERSITY OF HONG KONG, THE HONG KONG UNIVERSITY OF SCIENCE & TECHNOLOGY, AND UNIVERSITY OF HONG KONG.

THE RGC CONSIDERED 336 APPLICATIONS FOR A TOTAL OF \$296 MILLION FOR ACADEMIC RESEARCH PROJECTS IN A WIDE RANGE OF SUBJECT DISCIPLINES.

/EACH APPLICATION

EACH APPLICATION WAS INITIALLY SCREENED BY ONE OR MORE OF THREE SUBJECT PANELS - PHYSICAL SCIENCES AND ENGINEERING; BIOLOGY AND MEDICINE; AND HUMANITIES AND SOCIAL SCIENCES - WITH THE HELP OF REPORTS FROM SPECIALIST ASSESSORS/REFEREES.

THE PANELS' RECOMMENDATIONS WERE THEN CONSIDERED BY THE FULL RGC MEETING ON JUNE 19.

OF THE TOTAL SUM OF \$155.6 MILLION PROVIDED BY THE GOVERNMENT FOR ACADEMIC RESEARCH PROJECTS IN 1993/94, THE RGC DECIDED TO ALLOCATE \$49 MILLION TO THE INSTITUTIONS DIRECTLY TO SUPPORT PROJECTS COSTING LESS THAN \$200,000 AND SET ASIDE \$6 MILLION FOR CENTRAL ALLOCATION TO STRENGTHEN THE RESEARCH BASE IN THE INSTITUTIONS.

THE BALANCE OF SOME \$100 MILLION WAS ALLOCATED FOR PROJECTS IN RESPONSE TO COMPETITIVE BIDS FROM THE INSTITUTIONS.

DETAILS OF THE PROJECTS SUPPORTED, BY PANEL AND BROAD SUBJECT AREAS, ARE GIVEN BELOW:

| SUBJECT PANEL | SUBJECT AREA | NO. OF PROJECTS | FUNDING SUPPORTED |
|------------------------------------|---|-----------------|-------------------|
| ----- | ----- | ----- | ----- |
| PHYSICAL SCIENCES & ENGINEERING | CIVIL ENGINEERING, SURVEYING, BUILDING AND CONSTRUCTION | 12 | \$ 4,901,000 |
| | COMPUTING SCIENCE, INFORMATION TECHNOLOGY & MATHEMATICS | 24 | 9,666,500 |
| | ELECTRICAL & ELECTRONIC ENGINEERING | 22 | 13,544,000 |
| | MECHANICAL, PRODUCTION & INDUSTRIAL ENGINEERING | 7 | 3,418,500 |
| | PHYSICAL SCIENCES | 45 | 21,670,000 |
| | SUB-TOTAL | 110 | 53,200,000 |
| BIOLOGY & MEDICINE | BIOLOGICAL SCIENCES | 20 | 14,950,000 |
| | MEDICINE, DENTISTRY & HEALTH | 29 | 18,777,000 |
| | SUB-TOTAL | 49 | 33,727,000 |

- 15 -

| | | | |
|--|--|-----|-------------|
| HUMANITIES & SOCIAL SCIENCES | ARTS & LANGUAGES | 3 | 877,000 |
| | ADMINISTRATIVE, BUSINESS & SOCIAL STUDIES | 25 | 9,108,000 |
| | EDUCATION | 3 | 2,280,000 |
| | LAW, ARCHITECTURE, TOWN PLANNING & OTHER PROFESSIONAL & VOCATIONAL STUDIES | 2 | 526,000 |
| | SUB-TOTAL | 33 | 12,791,000 |
| FUNDING RESERVED FOR THREE PENDING CASES | | | 874,000 |
| | TOTAL | 192 | 100,592,000 |

IN SELECTING THE PROJECTS FOR FUNDING SUPPORT, REGARD HAS BEEN GIVEN TO THEIR ACADEMIC MERIT/INTEGRITY, THEIR CONTRIBUTION TO THE ACADEMIC DEVELOPMENT OF THE INSTITUTIONS AND THEIR RELEVANCE TO THE NEEDS OF THE INSTITUTIONS AND HONG KONG'S OVERALL ECONOMIC AND SOCIAL DEVELOPMENT.

THIS WAS THE THIRD RESEARCH GRANT ALLOCATION EXERCISE UNDERTAKEN BY THE RGC WHICH WAS ESTABLISHED IN JANUARY 1991.

PROF DAVID TODD, CHAIRMAN OF THE RGC, SAID:

"THE ENHANCED FUNDING AVAILABLE FOR ACADEMIC RESEARCH PROJECTS IN 1993/94 AS COMPARED WITH 1992/93 HAS ENABLED US TO SUPPORT, FULLY OR PARTIALLY, 192 PROJECTS AS COMPARED WITH 172 LAST YEAR."

"ONCE AGAIN THE QUALITY OF THE BIDS HAS BEEN HIGH AND, DESPITE THE ENHANCED FUNDING, THERE WERE STILL MANY COMMENDABLE PROJECTS WHICH COULD NOT BE SUPPORTED."

THE RGC IS LOOKING FORWARD TO FURTHER INCREASES IN THE LEVEL OF FUNDING FOR ACADEMIC RESEARCH IN THE FUTURE. THIS SUPPORT IS NEEDED TO STRENGTHEN THE RESEARCH BASE IN HONG KONG'S HIGHER EDUCATION SECTOR," HE SAID.

APART FROM DISBURSING AND MONITORING GOVERNMENT FUNDING FOR ACADEMIC RESEARCH, THE RGC IS ALSO RESPONSIBLE FOR ADVISING THE GOVERNMENT, THROUGH THE UPGC, ON THE NEEDS OF THE INSTITUTIONS OF HIGHER EDUCATION IN HONG KONG IN THE FIELD OF ACADEMIC RESEARCH IN ORDER THAT A RESEARCH BASE ADEQUATE FOR THE MAINTENANCE OF ACADEMIC VIGOUR AND PERTINENT TO THE NEEDS OF HONG KONG MAY BE DEVELOPED.

- - - - 0 - - - -

DUKE OF EDINBURGH'S AWARD GIVES PURPOSE TO LIFE

* * * * *

TAKING PART IN THE DUKE OF EDINBURGH'S AWARD SCHEME GIVES PURPOSE AND FULLNESS TO LIFE, THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN SAID TODAY (TUESDAY).

SPEAKING AT THE GOLD AWARD PRESENTATION OF THE DUKE OF EDINBURGH'S AWARD, MR PATTEN SAID THE SCHEME HELPED PEOPLE FIND THEIR DREAMS AND REALISE THEM THROUGH COMMITMENT, PATIENCE AND PERSISTENCE.

"EACH ONE OF THE AWARDS IS THE RESULT OF A HUGE AMOUNT OF EFFORT BY AN INDIVIDUAL," HE SAID. "IT COMMENDS AND ENCOURAGES THE INSPIRATION AND THE ASPIRATIONS THAT LIE BEHIND PERSPIRATION."

THE SCHEME ENABLES PARTICIPANTS TO TEST THEIR ABILITIES AND CHARACTER, MR PATTEN SAID.

HE WAS PLEASED TO SEE THAT THE DUKE OF EDINBURGH'S AWARD SCHEME BECAME WELL-ESTABLISHED IN HONG KONG, HE ADDED.

- - - - 0 - - - -

A HECTIC DAY OF DRAGON BOAT RACES

* * * * *

ABOUT 900 ROWERS TOOK PART IN THE ANNUAL CHAI WAN DRAGON BOAT RACES AT THE CHAI WAN CARGO HANDLING BASIN TODAY (TUESDAY).

AMONG THEM WERE FISHERMEN, DISTRICT BOARD MEMBERS, CIVIL SERVANTS AND OFFICE WORKERS.

FOR THE FIRST TIME IN THE DISTRICT, THE PHOENIX BOAT RACES, WHICH ARE MEANT FOR FEMALE PLAYERS, WERE ALSO HELD.

A TOTAL OF 35 TEAMS, SIX TEAMS MORE THAN THAT OF LAST YEAR, COMPETED IN VARIOUS RACES TODAY.

THE EVENT WAS ORGANISED BY THE CHAI WAN FISHERMEN'S RECREATION CLUB AND SPONSORED BY THE EASTERN DISTRICT BOARD, WITH THE HELP OF THE DISTRICT OFFICE.

- - - - 0 - - - -

NO NOMINATION TODAY FOR LEGCO BY-ELECTION

* * * * *

THE GOVERNMENT HAS RECEIVED NO NOMINATION FOR THE LEGISLATIVE COUNCIL BY-ELECTION IN RESPECT OF THE FIRST INDUSTRIAL ELECTORAL DIVISION TODAY (TUESDAY).

ONLY ONE NOMINATION HAS SO FAR BEEN RECEIVED FROM MR JAMES TIEN PEI-CHUN, 46, MANAGING DIRECTOR, ON JUNE 16.

NOMINATIONS ARE OPEN FROM JUNE 11 TO 25. THE BY-ELECTION WILL BE HELD ON JULY 15 TO FILL THE VACANCY LEFT BY THE LATE STEPHEN CHEONG.

- - - - 0 - - - -

TUESDAY, JUNE 22, 1993

- 17 -

HONG KONG GOVERNMENT EXCHANGE FUND
TENDER RESULTS

* * * * *

| | | |
|------------------------|---------------|---------------|
| TENDER DATE | 22 JUNE 93 | 22 JUNE 93 |
| PAPER ON OFFER | EF BILLS | EF BILLS |
| ISSUE NUMBER | Q325 | H367 |
| AMOUNT APPLIED | HKD2,810 MN | HKD1,450 MN |
| AMOUNT ALLOTTED | HKD1,000 MN | HKD400 MN |
| AVERAGE YIELD ACCEPTED | 3.23 PCT | 3.49 PCT |
| HIGHEST YIELD ACCEPTED | 3.23 PCT | 3.49 PCT |
| PRO RATA RATIO | ABOUT 100 PCT | ABOUT 100 PCT |
| AVERAGE TENDER YIELD | 3.26 PCT | 3.51 PCT |

HONG KONG GOVERNMENT EXCHANGE FUND

TENDER TO BE HELD IN THE WEEK BEGINNING 28 JUNE 1993 -

| | |
|-----------------|-------------------|
| TENDER DATE | 29 JUNE 93 |
| PAPER ON OFFER | EF BILLS |
| ISSUE NUMBER | Q326 |
| ISSUE DATE | 30 JUNE 93 |
| MATURITY DATE | 29 SEPT 93 |
| TENOR | 91 DAYS |
| AMOUNT ON OFFER | HKD1,000 + 200 MN |

- - - - 0 - - - -

/18

TUESDAY, JUNE 22, 1993

- 18 -

HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

* * * * *

| | \$ MILLION ----- |
|---|---------------------|
| OPENING BALANCE IN THE ACCOUNT | 5,050 |
| REVERSAL OF LAF | -2,250 |
| BALANCE AFTER REVERSAL OF LAF | 2,800 |
| NET INJECTION/WITHDRAWAL TODAY | NIL |
| EFFECT OF LAF TODAY | -160 |
| CLOSING BALANCE IN THE ACCOUNT | 2,640 |
| LAF RATE 2.00 BID/4.00 OFFER TWI 113.1 *+0.1* 22.6.93 | |

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS

EF NOTES/HONG KONG GOVERNMENT BONDS

| TERMS | YIELD | TERM | ISSUE | COUPON | PRICE | YIELD |
|-----------|----------|-----------|-------|--------|--------|-------|
| 1 WEEK | 3.07 PCT | 14 MONTHS | 2408 | 4.375 | 100.46 | 4.00 |
| 1 MONTH | 3.17 PCT | 17 MONTHS | 2411 | 4.625 | 100.60 | 4.22 |
| 3 MONTHS | 3.22 PCT | 20 MONTHS | 2502 | 4.75 | 100.55 | 4.45 |
| 6 MONTHS | 3.46 PCT | 23 MONTHS | 2505 | 3.75 | 98.50 | 4.63 |
| 12 MONTHS | 3.79 PCT | | | | | |

TOTAL TURNOVER OF BILLS AND BONDS - 28,435 MN

CLOSED 22 JUNE 1993

- - - - 0 - - - -