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Transcript of the Governor's media session

The following is a transcript of the Governor, the Rt Hon Christopher Patten's media session this (Wednesday) afternoon after visiting two factories in Tai Po:

Governor: Good afternoon. I am very pleased to have been able to spend this afternoon on this industrial estate once again, visiting first of all the security printers, Thomas De La Rue and then coming here to Motorola, a firm which I know pretty well because I've presented them a number of awards in the past for their high performance. Any one who ever suggests that manufacturing industry is dead in Hong Kong or that we don't need manufacturing industry should come and see Motorola and see what they are doing at the highest end of technology, the cutting edge of technological development, an outstanding firm, giving employment to two and a half thousand people here in Hong Kong and enormously adding value in all that they do. It underlies the importance for us of developing our skill and knowledge base and ensuring that industry works as closely as possible with tertiary education institutions and the opposite of that as well. So, I want to see as continuing to excel in the electronics industry. I'm sure that's one of ways in which we will provide more secure employment in the long term for everyone here in Hong Kong.

Question: (inaudible)

Governor: On the first point that you raised, we'll be reporting back to the summit on employment tomorrow. On the measures that we've taken since the last summit, the action plan that you mentioned will be demonstrating the progress that's been made on issues like increasing the efforts that we are making to stamp out illegal employment, on the efforts we've made to step up the job matching programme and to improve re-training and indeed to re-focus the whole of our training efforts. We'll also be reporting on the proposals that we've put forward for discussion on the importation of labour and I very much hope that we can at tomorrow's summit start develop a consensus on the measures that need to be taken in our labour market to give us secure long term employment. I do think we want to focus on the medium and longer term as much as possible though there are obviously some short term anxieties. I also hope that we can work together with the employees and employers because this is a problem which the whole community faces and one which we'll tackle most successfully if we tackle it together. I think that people have perhaps, on your second question, people have perhaps in the last few years, because we've seen so much manufacturing capacity move to Southern China or to other parts of the region where labour unit costs are lower. I think some people have started to think that we can manage in Hong Kong completely with our service industry. Well, service industries are important and we want to ensure that we give them all the support they need, which is why the Financial Secretary has set up his task force on the service industries. But manufacturing industry is very important as well, 13 or 14 per cent of our employees working in manufacturing, many of them in first class, high class plants like this one. Obviously for the future, we can't put all our eggs in one basket. We've got to ensure that we have as broadly based employment in the economy as possible.

Question: Mr Patten, you just mentioned that you hope that there will be consensus amongst the employees and employers tomorrow. But now the Do you think tomorrow's meeting is likely to be ...

Governor: No I don't. The last meeting was helpful and I hope tomorrow's will be helpful as well. The Government is trying to work as I said with employers and the employees. I don't like talking about both sides of industry because everybody should be on the same side and that's what we want to see happening tomorrow. I do think it's important for us in Hong Kong to keep our sights very firmly on the medium and longer term. The principle reason for the increase in unemployment in the last year or so has been firstly a very substantial increase in the number of people who are working in Hong Kong and that's not directly related to the labour importation scheme. There are other reasons for it, returning emigrants from Canada and Australia and so on and legal Chinese immigrants over the last year. Secondly the slowing down in consumer spending which has had an effect on employment in retailing, in the restaurant business and so on, jobs which customarily people who are displaced in low technology manufacturing moved into. Now, what do we need to do in the medium and long term to ensure that if the labour market is continuing to increase we go on growing new jobs to meet that increase. First of all obviously we've got to look at our job matching because there are 50,000 vacancies that still aren't being met in Hong Kong. Secondly we've got to look at our retraining. Thirdly we've got to look at our training. We've got to look at the existing steps that we are taking to stamp out illegal employment. There is a whole host of things that we need to do and I really do think it's important for us to try to tackle that agenda, working together rather than arguing with one another.

Question: (inaudible)

Governor: I don't think there is any doubt at all that with unemployment at 3.5 per cent. But above all, having seen 100,000 added to the work force in Hong Kong last year, not through importation of labour schemes but just because of other natural forces. I think in those circumstances it's very sensible to look at the importation of labour both the numbers and the way in which the scheme is organised. If you look at the way the scheme has grown up, it's grown up from about 3,000 when it first started to today's figures, and I think that the employees and the employers recognise that one has to take a look at the way the scheme operates from time to time. But the point we should remember is that this is a part of the overall approach. It's not the key to dealing with unemployment and job creation in Hong Kong. If one was to put all the emphasis on labour importation, we will be missing out on the other things we need to do, on the retraining, on the training, on the job-matching which are probably a great deal more important.

Question: (inaudible)

Governor: Let me tell you what happened last year. The work force increased by 100,000, 5,000 of that 100,000 were people coming to Hong Kong through either the General Importation of Labour scheme or through the labour importation scheme for the airport core projects. 5,000 out of 100,000. The problem is much bigger than the importation of labour. I don't deny that the unions have a understandable anxiety about that. We can't manage in Hong Kong without importing some labour with particular skills but we must look at the overall number and there is no case at all for bringing people into Hong Kong when skills are already available and when jobs can be done by Hong Kong people.

Question: (inaudible)

Governor: Well, you should look at my post bag and you'll see. At the last summit that we had, one of the employers in the textile industry gave these specific example of a skilled worker that he wasn't able to find in Hong Kong. I think that everybody recognises that in those circumstances it's reasonable to allow the importation of labour for jobs' specific purposes. I don't think anybody really think these day that there is a case in those industries where there is large unemployment, for example, the restaurant business. I think in industries like that where you are not always talking about skills, you have to look very carefully at industry-wide quotas which I think are more difficult to justify.

Question: So according to your answer, you don't think that the total scrapping of quota of the importation of labour scheme is impossible?

Governor: These are issues that we are going to discuss tomorrow. But I don't actually hear anybody in Hong Kong saying there should be no importation of labour whatsoever. Have you heard anybody saying that?

Question: The General Chamber of Commerce. The cap. To remove the cap of importation of labour.

Governor: They will be able to discuss these issues with us tomorrow. What I am saying to you once again is if the whole argument in Hong Kong is about the importation of labour scheme we'll be doing ourselves a serious disservice. That is a scheme that's of course matters, of course is relevant. But if we are serious about job creation in Hong Kong, about giving people the employment opportunities they need and deserve, then there are other matters which are a great deal more important like training, like retraining, and like job matching.

Question: Mr Patten, I believe the Apple Daily said today that China asked that the PLA be stationed here before the transition of sovereignty. Do you have any comment on that?

Governor: No, except that sovereignty is transferred on the June 30, 1997. And I think that has implication for all of us.

Question: So, has the British side turned down the request?

Governor: That's why I've given you the answer that I have given you.

Question: On the BOR, do you think that the condemn by the Chinese official on the debate by the Legislative Council will worsen the situation, I mean the Hong Kong Government lobbying the Chinese side and also the Sino-British relations will be worsen?

Governor: I don't think it was a very helpful observation. I think a number of the things that have been said by the PWC and Chinese officials recently have been exceptionally unhelpful and rather surprising. They come within days of a successful visit by Vice Premier Qian Qichen to London for which we all hoped will usher in an era of greater understanding and greater co-operation. And then we had these extraordinary remarks made and recommendations which have set off alarm bells in Hong Kong which have echoed all round the world. There's been a tremendous consensus in Hong Kong on this issue, right across the community. In those circumstances, it's perfectly natural that the Legislative Council should want to discuss and debate these matters. After all what we are talking about is proposals for legislation. If the Legislative Council doesn't talk about that, what is it supposed by the PWC to talk about? And people are bound to say to themselves that who is most representing the interest of Hong Kong? Is it the Legislative Council that once debated these things or is it the PWC? I think people will also be interested in those members of the PWC who when the Bill of Rights was discussed in the Legislative Council a few years ago were all voted for it and spoke out in favour for it. I hope that we'll hear their voices again. So none of us want this controversy. None of us want to see these matters become a subject of real concern in Hong Kong and beyond. The controversy has not been stirred up by the Hong Kong Government and hasn't been stirred by the Hong Kong legislature.

Question: Did the thing worsen Sino-British relations?

Governor: It's a very curious way of trying to improve them.

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Transcript of CS's media session

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The following is the transcript of the Chief Secretary, Mrs Anson Chan's media session after officiating at the ground breaking ceremony of the Hong Kong Institute of Education today (Wednesday):

Question: What is the progress of arrangements for informal get-togethers between senior officials and their Chinese counterparts?

Chief Secretary: We continue to have useful discussions with the Chinese side. Both sides are anxious to start off these get-togethers as soon as possible and we are aiming for the first get-together to be held before the end of this month.

Question: Yesterday, NCNA accused Albert Ho, the legislator of introducing the motion. They said that it was a threat the PWC proposal....

Chief Secretary: I think the community's views about the PWC legal sub-group's proposals about the amended legislation and whether it is consistent with the Basic Law or not, whether it is consistent with the international covenant, those views are sufficiently well-known. In sum, the community is very concerned about the PWC legal sub-committee's proposals. I very much hope that the Chinese leaders will take these concern into account. I stress again that all the amendments that we have made to existing legislation is to ensure that we are fully consistent with the Bill of Right Ordinance, that we are consistent with the International Covenant on Civil and Political Rights. It is of course fully consistent with the Basic Law and in our view, there is no need and indeed it is very undesirable because it undermines confidence in Hong Kong's legal system and Hong Kong's commitment to upholding human rights for any of the old legislation to be brought back. I do say again, I hope very much that the Chinese will take into account the concern expressed by the Hong Kong community.

Question: What sort of pay increase civil servants should get next year?

Chief Secretary: As you know, our usual practice is to conduct a pay trend survey. Of course this survey is not yet done and it will take a while for it to be completed. When it is completed, in accordance with our usual practice, we will consider the pay trend results against the economic situation prevailing at the time. We will also take into account for example, inflation rate. We will take into account civil service morale. Our principle governing civil service pay is that as the largest single employer, the Government has a duty to ensure that civil servants are remunerated on a fair basis and regarded as fair both by the civil servants and by the public at large.

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Second quarterly progress report on anti-drug actions

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The Government is making steady progress on the two action plans which arose from the Drugs Summit chaired by the Governor, the Rt Hon Christopher Patten, in March this year, according to the second quarterly progress report released today (Wednesday).

The Governor, at the 27th Annual Dinner of the Hong Kong Association of the Pharmaceutical Industry this evening, said the latest figure of newly-reported young drug abusers had shown an encouraging sign since the summit meeting. In the first six months of this year, the number was 1,100, significantly down from 1,600 in the same period last year.

The Governor however stressed the importance of further efforts in tackling the problem of drug abuse among the youth.

"A new sense of purpose, of commitment and co-ordination is required if we are to treat the bacillus of abuse to which young people are exposed and against which their immune systems are poorly prepared," Mr Patten said.

"Together we can beat drugs, but we still have much to do together," he added.

The Governor gave some examples of the progress of the two action plans:

- * increased the maximum penalties for offences of illegal or improper sale of drugs;
- * recruited extra pharmacists;
- * reconvened a working group by the Hong Kong Medical Council to examine new measures to regulate the prescription and dispensing of dangerous drugs by doctors;
- * launched a pilot scheme to develop and implement drug education courses in schools;
- * expanding education and life skills training for teachers;
- * set up a pilot project to give guidance and help to parents; and

* preparing a video, aimed at helping parents to deal with their children's drug problems.

The Forward Action Plan, a package of 26 measures, was announced by the Governor at the summit meeting to give new impetus to the fight against drugs. The Government pledged itself to another 42-point action plan to follow up the report of the Action Committee Against Narcotics special action group.

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SHW welcomes timely recommendations from Director of Audit

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The Secretary for Health and Welfare, Mrs Katherine Fok, today (Wednesday) welcomed the Director of Audit's Report on the Hospital Authority's (HA) remuneration package as timely because it would help focus the Administration's current review on the subject.

"An inter-departmental Working Group, which I chair and comprises representatives from the Civil Service Branch and the Finance Branch, was set up in May this year to look at the remuneration package," Mrs Fok said.

"We set up this Working Group to review the remuneration package upon the expiry of the option period for civil servants to transfer to the HA employment terms.

"Now that the Director of Audit has reported on a number of the issues involved, the Working Group will consider the recommendations carefully as a matter of priority, taking into account the potential impact on quality of patient care, contractual obligations with existing staff and the overall cost to the community."

Mrs Fok said the establishment of HA was a conscious decision aimed to improve the quality of patient care.

She paid tribute to the 42,000 dedicated HA staff who worked hard to bring about the many improvements to hospital services.

The significantly better hospital environment, shortening of waiting times and the introduction of a Patient's Charter are all testimony to the efforts made by the staff.

On the Director's comments on the principle of cost comparability, Mrs Fok said when funding for the HA remuneration package was approved by the Finance Committee in 1991, the package was comparable to that of the civil service in terms of total cost to the Government.

"The Working Group will study the issues raised by the Director of Audit carefully, taking into account the subsequent changes in the civil service fringe benefits and the overall cost to the Government," she said.

"The Government will actively pursue the Director of Audit's recommendation that the prevention of double benefits rule should be applied and consider what new arrangements can be put in place for new recruits," she added.

The decision to provide a simple non-accountable allowance for HA employees and not to treat the allowance as a housing benefit was taken in the interest of an early establishment of HA, Mrs Fok noted.

It should be seen against the background that there had been difficulties in identifying accurately the individual elements of the cash allowance in each pay band.

"We aim to complete the deliberations on the issues raised in the Report in six months' time. We will discuss with HA on how best to take forward the issues," Mrs Fok said.

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No reason to doubt UNHCR's commitment

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In response to media enquiries concerning the Director of Audit's Report on the UNHCR's debt, a Government spokesman said today (Wednesday):

"The Government does not doubt the UNHCR's commitment to repaying the amount outstanding.

"The UNHCR has reiterated time and again in various forms and on various occasions its commitment to repay the Hong Kong Government.

"The UNHCR has re-affirmed its commitment to repay the debt through various exchanges, such as in its annual Letters of Intent and in a letter issued in September this year to the UK Mission in Geneva.

"The UNHCR has repeatedly appealed to the international community for funds for its programmes in Hong Kong, for example, at the fifth and sixth Steering Committees of the International Conference on Indo-Chinese Refugees held respectively in February last year and March this year.

"In its 1993 accounts, the UNHCR had, at the request of the Hong Kong Government, included a footnote on the debt. This signifies the UNHCR's acceptance of the existence of the debt.

"Since 1992-93, the UNHCR has made reference to the debt in its annual reports to its governing body, the UNHCR Executive Committee. Such reports, after endorsement by the Executive Committee, are presented to the UN General Assembly. The whole international community is therefore aware of the debt.

"Despite a declining VM population, the amount of repayment by the UNHCR as a proportion to the care and maintenance costs has registered a steady increase every year.

"We believe that the advances remain recoverable and there is therefore no reason why the advance account arrangement should not continue.

"The Government will continue to remind the UNHCR, whenever the opportunity arose, to repay the outstanding amount as soon as possible."

The following table shows that despite a declining Vietnamese migrant population in Hong Kong, the amount of repayment by the UNHCR as a proportion to the care and maintenance costs has registered a steady increase every year:

<u>Year</u>	<u>Care and Maintenance Cost Incurred</u>	<u>No. of VMs as at 1 Jan.</u>	<u>Reimbursement by UNHCR</u>	<u>Percentage Reimbursed</u>
1990	\$182.5 m	43,700	\$15.5 m	8.5%
1991	\$238.2 m	43,900	\$15.5 m	6.5%
1992	\$250.1 m	55,600	\$16.2 m	6.5%
1993	\$188.6 m	42,700	\$21.6 m	11.5%
1994	\$131.8 m	29,300	\$21.6 m	16.4%
1995	\$115.0 m (est.)	22,600	\$19.5 m(est.)	17.0%

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Bill to benefit minor offenders to be gazetted

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The Government is to introduce legislative amendments to expand the scope of the rehabilitation scheme under the Rehabilitation of Offenders Ordinance so that more people who have committed minor offences can benefit, a government spokesman said today (Wednesday).

The current rehabilitation scheme, introduced in 1986, provides that where a person, on a first conviction, was not sentenced to imprisonment or a fine exceeding \$5,000, the conviction can be disregarded for most purposes after three years so long as he has no further conviction.

The spokesman said the amendments, proposed under the Rehabilitation of Offenders (Amendment) Bill 1995, sought to expand the scheme following the recommendations made by the Fight Crime Committee in 1990.

"A public consultation exercise held in 1989 found that the majority of the public supported the expansion of the scheme," he said.

The spokesman said with the proposed amendments, the scheme would be expanded to cover persons who, on a first conviction, were sentenced to imprisonment for not more than three months or a fine not exceeding \$10,000.

"It will also be expanded to cover those who have been convicted of triad related offences, but have subsequently renounced their membership under the Triad Renunciation Scheme provided that they meet the other criteria of the rehabilitation scheme," he said.

"Moreover, payments under the fixed penalty scheme and other minor road traffic convictions are proposed to be spent immediately without the waiting period of three years.

"Nevertheless, we propose that for safety reasons, such payments by and convictions of vocational drivers should only be spent after a period of three years.

"This will enable transport operators to take into account the traffic conviction records of applicants in determining the employment of vocational drivers."

However, the spokesman pointed out that the arrangements for payments under the fixed penalty scheme and other minor traffic convictions to be spent immediately would have no impact on repeated offenders under the Road Traffic Ordinance, nor on the driving-offence points scheme.

He said another change proposed was that convictions should be "once spent, always spent".

"This means that where a convicted person is not reconvicted in the three-year rehabilitation period, then his first conviction would become spent and would not revive, even if he were convicted of another offence at a later date.

"Despite this, the second offence should not be allowed to be spent," the spokesman said.

Moreover, he pointed out that arrangements would be made to enable the spent conviction of a reconvicted person to be brought to the attention of the court for sentencing purposes to avoid a repeated offender being treated as a first time offender.

The spokesman said some people and proceedings were proposed to be excluded from the scheme. These include:

- * proceedings under the Banking Ordinance relating to an individual's suitability to become a controller, chief executive or director of an authorised institution;
- * proceedings under the Insurance Companies Ordinance relating to an individual's suitability to become a director or controller of an authorised insurer;
- * proceedings relating to the determination of an application as a foster parent; and
- * staff of the Independent Commission Against Corruption, the Securities and Futures Commission, the Hong Kong Monetary Authority and the Office of the Commissioner of Insurance.

"These exceptions are proposed because they involve positions where the public expect a high standard of probity and the interests of children who will be placed under foster care service," the spokesman explained.

The bill will be gazetted on Friday (November 10) and is expected to be introduced into the Legislative Council on November 22.

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Arts Development Council representative organisations

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The Governor has specified a list of organisations or groups of organisations to be representatives of their respective arts interests for the purpose of each nominating a person for membership of the Hong Kong Arts Development Council (HKADC).

The specified group for each arts interest may each nominate one person experienced in that arts interest to be considered by the Governor for appointment as a Member of the HKADC with effect from January 1, 1996.

Under the Hong Kong Arts Development Council Ordinance, the 16 non-official Council members may include up to nine persons nominated by the specified organisations or groups of organisations as mentioned above.

A spokesman for the Recreation and Culture Branch said today (Wednesday) the memberships of these specified organisations and groups of organisations were open to all individuals and organisations who were active in their respective arts interest in Hong Kong.

Any suitable persons or organisations wishing to join in should contact directly the respective specified organisations or groups of organisations.

As regards the literary arts category, the spokesman said as currently there was no applicant which could on its own be considered as representative of the entire literary arts category, it was not possible to specify any group in this category at this time.

"Instead, the Governor will appoint directly a person experienced in the literary arts to be a member for the coming term of office.

"And if in due course a suitable literary arts organisation or group emerges, then it could be specified for the purposes of nominating persons to represent the literary arts in future terms of office of the HKADC," he added.

The spokesman also noted that the original intention had been that traditional performances should be covered within the drama category.

"While the specified group of the Drama category - the Joint Conference of Electoral Committee for the Drama Sector of Hong Kong - can represent drama, it cannot, as currently constituted, represent traditional performances," he said.

"Given this situation and the importance and contribution of traditional performances to the local arts scene, the Governor has decided to appoint directly a person experienced in the traditional performances to the HKADC in addition to represent the drama category."

The specified organisations are required to submit their nominations and all supporting documentation to the Recreation and Culture Branch on or before December 11, 1995 for consideration by the Governor for appointment as HKADC Members.

To ensure that the selection and nomination process is well understood and that it is conducted in a fair and credible manner, the Recreation and Culture Branch will hold a meeting with the specified organisations at 5 pm on Monday (November 13) to explain in detail the nomination process.

The notice of the list of specification of representative organisations and groups will be published in the Government Gazette on Friday (November 10).

The following is the list of the specified organisations and groups:

Arts Interest	Name of the Group	Current Member Organisations of the Group
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1. Music	Nomination Committee for the Hong Kong Arts Development Council Music Category	a. Hong Kong Composer's Guild b. Hong Kong Piano and Music Association c. Hong Kong Association of Choral Society Limited d. The Allegro Singers e. Zuni Icosahedron * f. The Hong Kong Federation of Writers and Artists * g. Hong Kong Philharmonic Society Limited
2. Dance	Hong Kong Dance Sector Joint Conference	a. Association of Hong Kong Dance Organisations b. Hong Kong Ballet Group c. Hong Kong Dance Alliance d. Hong Kong Dance Federation

- | | | |
|-------------------|---|---|
| 3. Drama | Joint Conference
of Electoral
Committee for the
Drama Sector of
Hong Kong | a. Electoral Committee for the Drama
Sector of Hong Kong
b. Inter College Drama Alliance
c. Zuni Icosahedron *
d. Hong Kong Peking Opera Club |
| 4. Visual
Arts | Hong Kong Visual
Arts Joint
Conference | a. Hong Kong Artists House Limited
b. The Hong Kong Federation of
Writers and Artists *
c. Friends of the Pottery Workshop
d. Hong Kong Lan Ting Society
e. Gengzy Calligraphy &
Painting Society
f. Hong Kong Association of
Amateur Calligraphers
g. Bull Jun Arts Association of
Hong Kong
h. Hong Kong Chinese Figure
Painting Association
i. Lok Tian Chinese
Calligraphy Society
j. Chung Fung Art Club
k. One Art Group
l. The Spirit of Lotus Art Association
m. Xiao Feng Society of Arts Limited
n. Hong Kong Monday Visual
Arts Association
o. New Dimension Artists
Association
p. Young Artists Association
q. Hue Art Association
r. Hong Kong Illustrators Association
s. Life Sensation
t. Modern Impressionists Association
u. Action Art Federation
v. New Media Arts Association
w. Hong Kong Visual Arts Artists
Election Joint Conference
x. Hong Kong Oil Painters
Association |

- | | | |
|--------------------------------|---|---|
| 5. Film Arts | Joint Conference
of Film and Video
Arts | a. Hong Kong Kowloon and
New Territories Motion Picture
Industry Association Limited
b. Society of Cinematographers
(Hong Kong) Limited
c. Hong Kong Film Directors'
Guild Limited
d. Hong Kong Stuntman
Association Limited
e. Hong Kong Performing
Artistes Guild Limited
f. Society of Film Editors
(Hong Kong) Limited
g. Videotage
h. Hong Kong Screen
Writers' Guild Limited
i. Zuni Icosahedron * |
| 6. Arts
Adminis-
tration | The Hong Kong Arts
Administration
Joint Representation
Association | a. Hong Kong Arts Administrators
Association Limited
b. Association of Curators
c. Association of Managers,
Cultural Services |
| 7. Arts
Education | Hong Kong Society
for Education in Art | a. Hong Kong Society for
Education in Art |
| 8. Arts
Criticism | Arts Criticism
Election Committee | a. International Association of
Theatre Critics (Hong Kong)
Limited
b. Hong Kong Film Critics
Association Limited
c. Hong Kong Film Critics Society
d. The Hong Kong Federation of
Writers and Artists *
e. Zuni Icosahedron * |

(*Note : These organisations have applied for specification in more than one arts category. The membership of these organisations will be divided into the various relevant categories in accordance with the one man one vote principle such that each individual in the arts community may only vote in one category.)

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Governor visits two factories in Tai Po

The Governor, the Rt Hon Christopher Patten, today (Wednesday) visited two factories, Thomas De La Rue (Hong Kong) Ltd and Motorola Semiconductors Hong Kong Ltd in Tai Po Industrial Estate.

Accompanied by the Director-General of Industry, Mrs Regina Ip, Mr Patten first visited Thomas De La Rue (Hong Kong) Ltd. He was briefed by the Director and General Manager, Mr David Chapplow, on the factory's production and toured its high-security production area.

Thomas De La Rue (Hong Kong) Ltd prints banknotes for all the note-issuing banks of Hong Kong. Its factory at Tai Po embodies state-of-the-art designs in both print technology and security systems, the two unique features for security printing.

Headquartered in the United Kingdom, the Thomas De La Rue Group is the world's largest independent security printer of banknotes and security documents, printing banknotes for over 80 countries.

The Governor next visited Motorola Semiconductors Hong Kong Ltd, one of the most technologically advanced integrated circuit (IC) packaging factories in Asia. Motorola is engaged in the design, assembly and testing of a full range of advanced semiconductor products.

The manufacturing processes conducted by Motorola are highly automated, making the best use of CIM (computer-integrated manufacturing), CAD (computer-aided design) and CAM (computer-aided manufacturing). Motorola is very quality conscious. It won the 1994 Governor's Award for Industry in Quality.

Mr Patten was briefed by Motorola's Senior Vice-President and General Manager (Asia Pacific Semiconductor Products Group), Mr C D Tam, on the development of Motorola in Hong Kong.

Mr Patten toured the factory's design centre, and IC automated assembly area where he saw a design process demonstration and the front-end and back-end operations.

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US' unilateral changes to origin rules

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The unilateral changes to origin rules by the United States are not in full support of the spirit of the World Trade Organisation (WTO) Agreement on Rules of Origin which have come into force since January this year, a Trade Department official said today (Wednesday).

The US has recently announced the final rules implementing the country of origin provisions for imported textiles and apparel under its Uruguay Round Agreements Act (URAA).

"The final rules affirmed major changes to US origin rules for finished fabrics, certain textiles made-up articles and apparel other than knit-to-shape garments. The URAA rules would take effect from July 1, 1996," said the Assistant Director General of Trade, Miss Emma Lau, in her speech entitled "Changing Scenes in the International Arena of Rules of Origin" in a seminar organised by Hong Kong Society of Accountants.

"The WTO Agreement on Rules of Origin is the first ever agreement to bring rules of origin under multilateral discipline. The agreement stipulates a set of code of conduct regarding the formulation and administration of rules of origin.

"In addition, the agreement provides a three-year Harmonisation Work Programme to develop a set of harmonised rules of origin for all non-preferential trade purposes. The Harmonisation Work Programme was formally initiated in July 1995 and is scheduled for completion in 1998.

"Any unilateral changes to rules of origin in the middle of the Harmonisation Work Programme would clearly pre-empt the outcome of the Programme," she said.

On the circumstances leading to the conclusion of the WTO Agreement on Rules of Origin, Miss Lau pointed out that contrary to tariffs which had a long history of negotiation at the General Agreement on Tariffs and Trade (GATT), rules of origin affected international trade in a less conspicuous but equally significant way.

"A small economy like Hong Kong which relies heavily on exports had always been an easy target and victim to unilateral changes to rules of origin by major importing countries," she said.

She recalled that Hong Kong manufacturers had to change their mode of production to comply with the change in origin requirements on piece-knitted garments by the US in 1986.

Another vivid example was the sudden imposition of Mexican country of origin requirement on imports by Mexico in 1994, she added.

"Apart from change within a single set of rules, some countries have many sets of preferential and non-preferential origin rules to cater for different trade purposes. For example, there may be one set of rules for most-favoured-nation tariffs, another set for origin marking, and yet a third set for anti-dumping and safeguard actions.

"The proliferation of rules which can be altered at the total discretion of national administrations has become a threat to trade liberalisation and facilitation world-wide. Not only are these rules difficult to comprehend and comply, but they also cost a lot to maintain and enforce."

"Recognising the impeding effects of proliferation of rules to trade, Hong Kong was amongst the first to advocate multilateral action during the Uruguay Round Mid-term Review in 1988," she said.

"Hong Kong is a staunch supporter of the WTO Agreement on Rules of Origin and is committed to bringing the Harmonisation Work Programme on non-preferential rules to a successful completion.

"In this connection, the Trade Department had embarked on extensive consultation with local industrial and commercial associations. Over 120 associations were invited to participate in providing Hong Kong's input to the Harmonisation Work Programme.

"Moreover, a working group comprising representatives of Trade, Industry, Customs and Census & Statistics Department had also been set up to coordinate action on the home front." she added.

As regards how Hong Kong could meet the challenge ahead, such as coping with new rules like the URAA final rules, Miss Lau said Hong Kong would follow closely the principles laid down in the WTO Agreement on Rules of Origin.

End/Wednesday, November 8, 1995

Dedicated service in Labour Department recognised

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The Commissioner for Labour, Mr Stephen Ip, yesterday (Tuesday) presented a retirement souvenir to the Deputy Commissioner for Labour, Mr Yiu Yan-nang, in recognition of his 30 years' service in the Labour Department.

• Mr Yiu joined the department in 1965. Since then, he has devoted his time and talent to various areas of work including labour relations, industrial safety and health, trade union affairs, employment services as well as employees' compensation.

"Mr Yiu has made valuable contribution to the department especially in promoting efficiency and work simplification," Mr Ip said at the presentation ceremony held at the conference room of the Central Government Offices.

"His enthusiasm for work and readiness to offer constructive ideas are worth learning by staff of the department," he added.

Mr Yiu first joined the Government in 1957 as a Health Inspector. He will be on pre-retirement leave early next month.

Mr Ip also presented retirement souvenirs to eight other veteran members of the department, 30-year meritorious service certificates and gold pins to three staff and 20-year meritorious service certificates to 22 others.

"Your perseverance in work and hard working attitude have contributed to the high efficiency of government operation and its good service to the public," Mr Ip told the recipients.

End/Wednesday, November 8, 1995

Action taken to curb illegal land encroachment

* * * * *

Crown Land notices were posted today (Wednesday) on the unauthorised structures and fruit trees at Tai Tong as part of the Government's action to stop illegal land encroachment in Tai Tong Valley, Yuen Long.

The notices were issued under the Crown Land Ordinance, demanding the cessation of unlawful occupation of unleased government land. The owners/operators of the unauthorised development have one month to comply with the notices. A government spokesman said some unleased government land in Tai Tong Valley have been unlawfully occupied by some villagers for operating a commercial recreational resort.

Unauthorised structures including shelters and poultry houses were erected and fruit trees were illegally planted within country park area for commercial purposes.

As the problem is a complex land control issue, the Government has set up an inter-departmental team to deal with it.

If the occupier failed to rectify the situation after the one-month grace period, the Government would take enforcement action to clear the land and carry out necessary restoration works.

Illegal structures erected on unleased government land in the area will have to be demolished and fruit trees illegally planted forfeited.

End/Wednesday, November 8, 1995

Gurkhas build block for Drug Rehabilitation Charity

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Members of 67 Gurkha Independent Field Squadron (Queen's Gurkha Engineers), assisted by helicopters of 28(AC) Squadron of the Royal Air Force, are assisting the Drug Rehabilitation Charity on Town Island again. For the second year running the Gurkhas are building an accommodation block for the Charity, which will house an additional 20 people. They are also upgrading a water catchment dam.

The work started on October 27, and is due for completion by December 1. All building materials have to be air-lifted by 28(AC) Squadron's Wessex helicopters using underslung loads.

End/Wednesday, November 8, 1995

A New Territories lot to let

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The Lands Department is inviting tender for the short-term tenancy of a piece of government land in the New Territories.

The lot, located at Tam Lam Kok in Tuen Mun, has an area of 3,970 square metres. It is intended for concrete production including storage of sand and aggregates or open storage of goods, vehicles, chattels, equipment and materials but excluding storage of containers, container tractors or trailers.

The tenancy is for three years, renewable quarterly.

Closing date for submission of tender is noon on November 24.

Tender form, tender notice and conditions can be obtained from the District Lands Office, Tuen Mun, sixth and seventh floors, Tuen Mun Government Offices, 1 Tuen Hi Road, Tuen Mun; the District Lands Offices/Kowloon, 10th floor, Yau Ma Tei Car Park Building, 250 Shanghai Street, Kowloon and the Lands Department's office at 14th floor, Murray Building, Garden Road, Central.

Tender plan can also be inspected at these offices.

End/Wednesday, November 8, 1995

Car examination fees to be revised

* * * * *

Fees for the examination of private cars and light goods vehicles not exceeding 1.9 tonnes charged by the designated car testing centres (CTCs) will be revised tomorrow, a Transport Department spokesman said today (Wednesday). The revision allows the operators to cover the increase in their operational costs and make the charges levelled with that of Government Vehicle Examination Centres.

Examination fees will be revised as follows:

	Existing -----	New fees -----
Initial Examination:		
a. private car	\$485	\$530
b. light goods vehicle	\$580	\$630
Re-examination where made within 14 days of initial examination:		
a. private car	\$150	\$165
b. light goods vehicle	\$190	\$210

Meanwhile, the cost of issuing a duplicate copy of a certificate of roadworthiness for private car and light goods vehicle by a CTC will also be increased from \$150 to \$165 and from \$190 to \$210 respectively.

CTCs are private garages designated by the Commissioner for Transport under the Road Traffic Ordinance for the inspection of private cars and light goods vehicles not exceeding 1.9 tonnes.

End/Wednesday, November 8, 1995

Illegal rooftop structures to be cleared

* * * * *

The Building Authority today (Wednesday) declared that two illegal structures on the rooftop of a building at No. 532 Fuk Wing Street, Cheung Sha Wan, should be demolished for public safety reasons.

The Buildings Department posted a Notice of Intention at the two structures this morning informing the residents that their unauthorised building works (UBW) would be demolished after a Closure Order was applied from the Hong Kong District Court at 9.30 am on March 20, 1996.

The Chief Building Surveyor (Control and Enforcement) of the Buildings Department, Mr Jeffrey Dobbing, said the department, acting on complaint, served a Removal Order on the owners in August last year.

"The Removal Order, served in accordance with the Building Ordinance, asked the owners to remove the structures.

"The Order, however, was ignored by the owners. We therefore decided to apply for the Closure Order so that we can demolish the structures on the owners' behalf. All the demolition cost will be recovered in full from the owners," he said.

Mr Dobbing also explained that under the current clearance policy, all newly constructed UBW would be accorded a high priority in demolition.

"However, the Government would ensure that nobody will be rendered homeless as a result of the action. All residents affected will be assessed by the Housing Department of their eligibility for rehousing.

"The Social Welfare Department and the District Office will also render assistance to the residents if necessary," he added.

End/Wednesday, November 8, 1995

Salt water cut in East Kowloon

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Flushing water supply to some premises in the eastern part of Kowloon will be temporarily suspended from 10 pm on Friday (November 10) to 6 am the following day to facilitate water mains work.

The suspension will affect Broadcast Drive, Lung Cheung Road, Fung Mo Street, Buddhist Hospital, Wang Tau Hom, Lok Fu, all roads in Kowloon City, Prince Edward Road West, Argyle Street, Ma Tau Wai Estate, Chun Seen Mei Estate, Farm Road, Tin Kwong Road, Boundary Street, Kowloon-Canton Railway, Waterloo Road, Baptist University, Evangel Hospital and Hong Kong International Airport.

End/Wednesday, November 8, 1995

HKMA MTRC note programme tender results

Tender Date	8 Nov 1995
Paper on offer	MTRC notes
Issue number	M502
Amount Applied	HKD2,045 MN
Amount allotted	HKD500 MN
Average price (yield) accepted	100.51 (7.31 PCT)
Lowest price (yield) accepted	100.45 (7.32 PCT)
Pro rata ratio	About 44 PCT
Average Tender price (yield)	100.33 (7.35 PCT)

End/Wednesday, November 8, 1995

Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
	-----	-----	-----
Opening balance in the account	1,588	0930	+986
Closing balance in the account	1,945	1000	+986
Change attributable to :		1100	+986
Money market activity	+990	1200	+990
LAF today	-633	1500	+990
		1600	+990

LAF rate 4.25% bid/6.25% offer TWI 122.4 *+0.0* 8.11.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.25	2 years	2708	6.06	100.67	5.73
1 month	5.36	3 years	3810	6.15	100.32	6.12
3 months	5.51	5 years	5009	6.95	101.33	6.73
6 months	5.56	5 years	M501	7.90	103.07	7.22
12 months	5.58					

Total turnover of EF bills and notes - \$20,942 million

Closed November 8, 1995

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SUPPLEMENT **Legislative Council Meeting**

Wednesday, November 8, 1995

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Hong Kong's economy

Following is the speech by the Financial Secretary, the Hon Donald Tsang, in the motion debate on Hong Kong's economy in the Legislative Council today (Wednesday):

Mr President, Honourable Members,

Introduction

I welcome today's debate on the economy because it gives us an opportunity to examine together the essential ingredients of our economic policy. Indeed I agree to many points made by Honourable members this evening. I shall certainly consider them very carefully. I look forward to continuing these discussions with Members as I prepare the ground for my Budget next March.

I want to make it clear at the outset today that I hope we can proceed on the basis of consensus. I want to identify the real concerns of the community and I want to address them. But I am also determined to preserve the market-based economic philosophy and policies which have served us so well during more than three decades of economic expansion. I believe that there is a solid consensus on economic policy in this Council, and in the community as a whole. This should be our starting point for today's debate.

I have noted that Mr Allen Lee has worded his motion very carefully. He does not talk about a recession. He does not talk about a crisis. He talks, instead, about a slow-down in economic growth and an increase in unemployment. He also talks about identifying the root causes of these problems and addressing them. This is exactly how we should approach the issues and that is why I have no serious difficulty with his motion. I welcome it as a valuable opportunity to develop an important dialogue between this Council and the Government.

To identify the root causes of our economic problems and to develop an appropriate response, we need to clear the ground a little. Let us start with the facts, facts which I think provide common ground for the debate.

State of Hong Kong's economy

Hong Kong is not experiencing a recession. As we announced in August, we have trimmed our original forecast for this year's GDP growth in real terms from 5.5 to 5 per cent. First quarter growth performance was remarkable at 5.9 per cent. But the pace of growth in the second quarter slowed somewhat, to 4.8 per cent, as we announced on Monday. Nevertheless we still expect to achieve a growth of 5 per cent this year. Domestic exports have recovered well from the 2 per cent decline last year and grew by about 5 per cent in real terms in the first nine months of this year. Re-exports are continuing to advance strongly with a 16 per cent expansion in the first nine months of this year. The investment picture is also very encouraging. Retained imports of capital goods increased by 28 per cent in real terms in the first nine months in 1995. This reflects a strong investment trend, as businesses build up the capital equipment they need to expand their productive capacity.

Given these facts, I do not think anyone can seriously doubt that our economy is soundly based or that it is continuing to grow steadily. But there are real concerns about our economic prospects, as this motion demonstrates that. These concerns seem to be focused on some key issues: the slower pace of growth, the higher rate of unemployment and the persistent pressure on inflation. These are the problems which we must face and overcome together.

Prospects for economic growth

Let me start with economic growth. If I have interpreted the mood of this Council correctly, the real concern is that our revised growth forecast for the year could be a warning sign of worse to come. That is, a concern about a deterioration in our competitiveness, in market conditions and in our ability to adjust to changed circumstances. There also appears to be a worry that we cannot simply leave it to market mechanisms to take the strain or find the answers. I recognise the force of these concerns. I can assure Members that we will continue to be vigilant in monitoring the economic data for the first sign of serious difficulties ahead. Nevertheless, I do not see how a modest paring of the 1995 growth forecast produced early in the year would justify a loss of faith in the free market policies which have served us so well for so long. In any case, our commitment to markets and competition must apply not only in good times but also when times are not so good, or even bad. Hong Kong cannot be a "fair weather" free market.

Cause of the slowdown

So how should we respond to the slowing down in the pace of our growth rate? What is the root cause of the problems and what can and what should we do about them? The root cause is not some failure in our economic policies. The root cause of our slower growth is quite simply the fact that we are a part of the global and regional economy. When some of our major trading partners experience slower growth, our exports to those markets also decelerate, and trading profits are generally harder to make.

Also, our investment income from such economies tends to shrink. The less buoyant profits and earnings from outside then act to dampen consumption. Dampening consumption further is the now infamous "feel bad" factor, which stems from the earlier consolidation of our stock and property markets and the rise in the unemployment rate.

Of particular influence on our trade and income growth is the economic situation in China. The Chinese government has succeeded in trimming back the phenomenal economic expansion in the country over the past two years. A slower pace of growth has been fully justified to avoid aggravating the inflationary pressures and bottlenecks which the rapid development process inevitably brings.

We in Hong Kong must welcome the way in which the Chinese economy is now growing at a realistic but still impressive pace. This will ensure steadier and more sustainable growth over the longer term. In the meantime, we have to accept the implications for our own economic performance of the lowering of China's growth rates.

Hong Kong has not been helped by the way in which China's austerity measures coincided with measured growth elsewhere in the world economy. In North America and Western Europe, governments have identified lower inflation and sustainable growth as their priorities. Growth rates for these important trading partners are likely to be some way below our own 5 per cent in the coming year. The fact is that the world's leading economies do not seek growth at any price. They do not believe in achieving the maximum possible rate of economic expansion. The shared goal among our principal trading partners is stability, stable prices in particular. And growth trends which can be maintained over a reasonable period of time.

Nor have we been helped by the difficulties which Japan has experienced during the 1990s. The Japanese economy remains under pressure, and there has been little growth for the past four years. Japan is an important trading partner for Hong Kong.

We must face the fact that if the Japanese economy is experiencing difficulties, we are certain to feel the impact.

Measures to strengthen the supply side

As I have said, Hong Kong is an open economy. We live by trade. We should not be surprised that our own growth is strongly influenced by the economic situation of our major trading partners. But the fact that this external factor falls outside our control does not mean that we should not look for ways to improve our performance. I agree with the many Members who have argued today that we need a strategy to facilitate investment, enhance efficiency and to reduce unemployment. The issue before us today, and in the months leading up to my Budget, is what should such a strategy involve?

Clearly, such a strategy should be based on markets, enterprise and free trade. I hope no one is proposing that the Government attempt to manage the economy. The Government's role must be to support business by helping to enhance our productive capacity, improve efficiency and sharpen our competitiveness. That is why we invest billions of dollars each year in improving Hong Kong's physical infrastructure. We also invest billions of dollars each year in education and skills training.

I could list a formidable catalogue of recent new initiatives to improve the support we provide for industry, to enhance the business environment and to expand our infrastructure of skills. The Industrial Technology Centre and the Applied Research Council are two recent examples. But Members know all of this very well. I want to reassure this Council today that the Government does not seek to rest on its past record or its current programmes. You have my personal assurance that I am prepared to consider any specific proposals, any practical measures, which would enhance our productivity and our competitiveness. And in this regard, I'm most grateful for views expressed today. This open-minded commitment to respond to the needs of business is, in my opinion, exactly what the Government should be doing to support the economy.

Central economic planning?

But could we do more? For example, do we need a new, high-level body, bringing together business representatives, representatives of the work-force and the Government? If the purpose is dialogue, then perhaps this proposal is a good idea. But as I said to this Council last week, I tend to think that we have already in place all the forums for discussion that we need. If the purpose is to attempt to manage the economy, to second-guess markets or to embark on government planning through the back door, then my answer is an emphatic no. That is not what Hong Kong needs.

Tax cuts?

Should we be cutting taxes to stimulate the economy? We just had a full debate on this question. The obvious questions are: Does anyone really believe Hong Kong businesses and individuals are overtaxed? Can anyone claim that our tax regime deters investment? How could reducing tax rates in Hong Kong stimulate demand for our goods and services abroad? How large an impact would lower taxes have on our domestic demand? It is worth noting that the substantial tax reductions introduced in each of the last three Budgets did not seem to provide the sort of economic stimulus that advocates of lower taxes to boost growth rates are hoping for.

Freezing fees and charges?

Should we freeze government fees and charges? I understand the temptation to do so. But would such a freeze really help? It would do nothing useful to stimulate the economy. However, it would do serious and lasting damage to the principle that the users should pay for services provided by the public sector, especially when the users are commercial.

Increasing public expenditure?

Should we attempt to stimulate the economy by increasing public expenditure? The danger here is that higher recurrent and capital expenditure would worsen inflation rather than improve employment and real incomes. We have a relatively small public sector. In very rough terms, we would need to double the growth in public expenditure to produce a one per cent increase in our growth rate.

In practice, of course, this Council would not approve proposals to increase government spending designed simply to boost economic growth. Quite rightly, week after week, Finance Committee demands a detailed justification of the Government's case for spending money, whether on new projects or additional posts. And if this Council stepped back from this critical monitoring role, I believe that the community would object very strongly. Hong Kong cannot relax its commitment to total accountability for public spending, to the principle of maximum value for money in public expenditure.

Modern practitioners in public finance generally agree that monetary or fiscal measures designed to increase output and employment by artificially boosting aggregate demand invariably fail. Renowned economists including Professors Friedman and Lucas have warned us that arbitrary measures by the government to counter short-term fluctuations in the economy would be ineffective or counter-productive, even for those economies with a public sector relatively much larger than Hong Kong. I feel strongly that we should heed their sound warnings. Attempting to boost economic performance through increased public expenditure is not part of Hong Kong system of public finance.

So we should not try to follow the example of economies elsewhere and push up our growth rates:

- * by cutting taxes, because experience shows that their success in stimulating the economy is doubtful; or
- * by increasing public expenditure, because we already spend as much as is reasonable, consistent with our commitment to small government and to financial accountability.

But that does not mean there is nothing that the Government can do to improve the business climate and to enhance the investment environment. Both the Governor and I have announced important initiatives to do so.

- * I have established a task force to review what the Government can do to support the services industries. These are now the dynamo of Hong Kong's growth, the main source of our prosperity.
- * The Governor has directed that the Administration should give special priority to removing the bureaucratic bottlenecks to business, the redundant regulations. We want our legal and supervisory systems to encourage enterprise, instead of stifling initiative.

As concrete proposals emerge from these exercises, we shall brief this Council and seek Member's advice, as well as the business community's input. And we should not lose sight of the fact that inward and domestic investment are already growing strongly.

Unemployment

I spoke earlier of the three economic problems we face: slower growth, unemployment and inflation. I now want to address specifically concerns about unemployment. I realise that there is nothing to be gained from pointing out that Hong Kong's unemployment rate is very low by the standards of most other mature economies. The point is that our unemployment rate is now high by our own Hong Kong standards. For the unemployed workers, international comparisons offer no comfort at all.

Nevertheless, we have to start our discussions with the facts about our own labour market. In recent months, we have experienced a more than 4 per cent increase in labour supply. At the same time, the number of jobs has been growing at about half this rate. Of course, we must welcome the return of larger numbers of former emigrants from Hong Kong. And we also welcome the increased family reunions because of the higher number of new arrivals from China. But the economy has not been able to accommodate, immediately and in full, the demand for jobs from the increased labour force. And behind the cold statistics of labour market are the real stories, the distress and the disappointment of those unable to find suitable employment. The Government accepts a duty to help these people and we are doing so.

* The Labour Department's Job Matching Programme has been upgraded to help people identify the jobs which best suit their skills and experience. There are over 50,000 job vacancies in the private sector at present, which means we should be able to make a success of this Programme.

* The Employees Retraining Board has overhauled its efforts to help unemployed workers acquire new skills to equip themselves for the changed labour market. So far this year, it has helped over 5,000 workers to find jobs.

Retraining and job matching are the keys to helping the labour market work more efficiently and more humanely. They are among the highest priorities of the Government today.

The other issue we need to address in the context of unemployment is the importation of labour. I know there are strongly held views on this issue, and I understand Members' concerns. I believe that on this issue the Government, this Council and the community share much the same goals. We all want to make sure that we have an adequate supply of the right types of labour to maximise our potential for economic growth. This will benefit the whole community. At the same time, all of us want to give priority to local workers. The Government's proposals for the Supplementary Labour Importation Scheme were designed to get the proper balance between these two important goals. The Secretary for Education and Manpower has been engaged in a dialogue with Members of this Council to build on this common ground. The Governor's Employment Summit will tackle this issue tomorrow. I am sure that with patience and goodwill, we shall get the approach right.

Inflation

Our third economic challenge is inflation. To put it bluntly, our inflation rate is too high. Yes, it has moderated from the peak of 13.9 per cent in the spring of 1991. But at 8.9 per cent it is higher than the rate experienced by many other economies in our own region, as well as in Europe and North America. We must take the greatest possible care to ensure that we do nothing to squander the gains we have made in reducing price pressures in the past few years. I hope Honourable Members will understand me when I say that I am simply not prepared to take any risks with inflation.

- * We will hold down government spending to reduce competition from the public sector for scarce resources.
- * We will chase every source of improved efficiency in the public sector, whether through higher productivity or more modern management systems.
- * We will continue to tackle the bottlenecks which push up private sector costs, whether through an improved supply of skilled labour, land, a streamlined regulatory environment or a better transport and communications infrastructure.

Conclusions

So, where do we go from here? We must first recognise that the problems we face - slower growth, higher unemployment in particular - are linked. They are not isolated phenomena. We have to be clear about the root causes of our problems, and I think we have gone a long way towards doing so in our debate today. We must then develop effective responses. As I have said already, the solutions to our difficulties lie in greater productivity, enhanced competitiveness and greater flexibility. They do not lie in more bureaucracy, more government intervention, higher public expenditure or short-term measures to inflate earnings or consumption.

This evening, we have started a dialogue on economic policy. This will continue in the weeks ahead as I frame my Budget proposals. Within the Government, we shall be looking at ways to improve our support for business, to encourage more investment and to help the unemployed acquire new skills and find new jobs. What we cannot do is to break with the sound principles which have helped us to achieve 35 years of unbroken GDP growth. We must reject calls to adopt dangerous experiments in an economy which is growing at a creditable rate by the standards of any advanced economy. We certainly cannot adopt bureaucratic solutions for the problems for our open economy and its free markets. I am sure that I speak for a majority in this Council, in the business community and in Hong Kong as a whole when I say we have one best guide in our present difficulties. We must retain our faith in markets and free enterprise, and not clutch at Keynesian straws at the first sign of economic difficulties. Subject to these remarks, I shall consider very carefully the proposals which emerge during the debate today.

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Medical Registration (Amendment) Bill

Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in moving the second reading of the Medical Registration (Amendment) Bill (No. 2) 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Medical Registration (Amendment) (No. 2) Bill 1995 be read the second time.

On 7 June earlier this year, I introduced the Medical Registration (Amendment) Bill into this Council. However, in view of the large amount of legislative business to be conducted at the end of the 1994-95 legislative session, the Bills Committee decided that it would restrict its scrutiny of the Bill to those provisions relating to the introduction of a universal licensing examination and to practitioners-in-charge of exempted clinics. The remaining provisions have now been included in this Bill. This Bill proposes four major areas of changes necessary because of changes in circumstances over time.

The first proposed change concerns the composition of the Medical Council, which at present comprises 14 members appointed by the Governor. Since 1978 the number of registered medical practitioners has grown from some 3,000 to over 8,000, the number of complaints has increased from 27 to 170 and the number of formal disciplinary hearings has increased from 4 to 29. The Council needs to be expanded to broaden its representation and to meet this increasing workload. The Bill proposes a new Council of 24 members, with expanded representation from, inter alia, the University of Hong Kong, The Chinese University of Hong Kong, Hong Kong Medical Association and the lay sectors. These 24 members shall include 12 elected members - six to be elected from all registered medical practitioners on the General Register and the rest to be elected by all members of the Hong Kong Medical Association. The introduction of directly elected members in the Medical Council is in line with Government's policy of encouraging greater involvement of the profession in its own affairs.

The introduction of a Specialist Register is our second proposed change. We have at present a register of medical practitioners. However, the community has no means of knowing which of those practitioners may be qualified to practise in a certain medical specialty. A Specialist Register is proposed to be established to allow for the formal registration and control of medical specialists. A General Register will take the place of the existing register.

The existing Ordinance provides for the establishment of a Licentiate Committee and a Preliminary Investigation Committee. We propose to enshrine in law various other important aspects of the Council's work through the establishment of three other statutory committees. They are the Health Committee, the Education and Accreditation Committee and the Ethics Committee.

Our last proposed change concerns disciplinary proceedings. We propose that the Medical Council and its Health Committee should be empowered to prohibit the disclosure of information relating to an inquiry by the Council or a hearing by the Health Committee, if it is in the interests of the complainant, defendant or witness. In addition we propose that for the protection of the public, the Medical Council should also be empowered to order its disciplinary order to take effect on publication in the gazette.

End/Wednesday, November 8, 1995

Measures to curb drug abuse

* * * * *

Following is a question by the Hon Zachary Wong and a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

(a) of the number of drug addicts, together with a breakdown of the number of those who are female and those who are under the age of 21 (to be further broken down by male and female), in each of the districts in the territory over the past three years;

(b) whether there is an upward trend in the number of female and young drug addicts; if so, what the reasons are;

(c) of the services available to help drug addicts to kick the habit; and

(d) what measures are put in place to curb the increase in the number of people taking drugs, particularly among women and young people?

Reply:

Mr President,

(a) The statistics required in part (a) of the question are presented in tables 1 to 3, which are tabled before this Council.

(b) There is an upward trend in the total number of young drug abusers reported during 1992 to 1994. However, the number of young drug abusers reported in the first six months of 1995 dropped by over 8 per cent from 2651 in the corresponding period in 1994 to 2436. Members may also wish to note that there is a more significant drop, by 44 per cent, in the number of newly reported young drug abusers, from 1600 in the first six months of 1994 to 1108 in the corresponding period in 1995. It is too early to regard this as a reversing trend since this has to be sustained over a longer period of time. We will continue to combat the drug problem vigorously and I hope our re-doubled efforts will bear fruit and reduce the problem.

A Survey of Young Drug Abusers conducted by the Narcotics Division last year revealed that curiosity and to identify with peers were the main reasons for initial drug use among youths. In terms of the satisfaction they derived from drug taking, "to forget about trouble" was ranked the highest, followed by "to get high" and "to relax".

An upward trend is also noted in the total number of female drug abusers reported since 1992. However, the number of newly reported female abusers in the first six months of 1995 dropped by 13 per cent from 521 in the corresponding period in 1994 to 453. The Action Committee Against Narcotics has commissioned the Chinese University of Hong Kong to undertake a research study on female drug abusers, with a view to delineating the unique characteristics of female drug abusers and the factors leading to their drug abuse. This study will also throw some light on specific prevention and treatment strategies for dealing with female drug abusers. The findings of the study will be available towards the end of next year.

(c) We have developed a range of treatment programmes, using a number of treatment methods, to cater for the varying needs of different drug abusers. In the treatment of dependence on opiate drugs such as heroin, there are three main types of government-funded treatment programmes : a compulsory placement programme in Drug Addiction Treatment Centres run by the Correctional Services Department, a voluntary out-patient methadone programme provided by the Department of Health, and a voluntary in-patient programme run by the Society for the Aid and Rehabilitation of Drug Abusers (SARDA). On top of these, there are nine voluntary agencies providing religious therapeutic services for opiate abusers.

Counselling services for psychotropic substance abusers are provided by PS33 of the Hong Kong Christian Service and the Direction of SARDA. The Hospital Authority has established six Substance Abuse Clinics to provide medical services to psychotropic substance abusers.

(d) Our overall strategy to combat the problems of drug addiction takes a multi-disciplinary approach, covering legislation and enforcement, treatment and rehabilitation, preventive education and publicity, and research.

Our law enforcement agencies, including the Police, Customs and Excise Department and the Department of Health, are taking vigorous actions to detect and prosecute offenders, and to clamp down on the illegal supply of drugs. We have strengthened the Police Narcotics Bureau, and updated the legislation against the laundering of drug proceeds to enable better enforcement action against drug traffickers. The Medical Council and the Pharmacy and Poisons Board are discussing possible new measures to further tighten control on malpractice and the illegal sale of drugs. The Department of Health has increased the number of pharmacy inspections per month from 560 to 700, and set up a special task force to help the prosecution of offending drug retailers. Maximum penalties for the illegal or improper sale of drugs by pharmacies have been raised recently. We are also examining ways of achieving enhanced sentencing against adult drug offenders who involve young persons in the illegal drug trade.

One possible way is to seek to have the exploitation of minors included as an aggravating factor in the guidelines set by the Court of Appeal for reference by lower courts when sentencing convicted drug traffickers.

Specifically on measures to curb the increase in the number of drug abusers, particularly among females and the young, additional treatment facilities are in the pipeline. SARDA's Women's Treatment Centre is being reprovioned to accommodate more female clients, and the new centre in North District is expected to open early next year. The Chimawan Detention Centre (Lower) is to be converted into an additional Drug Addiction Treatment Centre for both adult and young female abusers.

For male young abusers, SARDA is undertaking a pilot project to set up a treatment centre for young opiate abusers. A suitable site has been identified in Yuen Long. We will be consulting the District Board and relevant local bodies soon. I hope that they will understand the urgent need for the facility. As the centre will provide in-patient treatment in a closed setting, it should not cause any law and order problem or nuisance to the neighbourhood.

We are also committed to set up two additional residential treatment centres for young opiate abusers and a new counselling centre in the New Territories for psychotropic substance abusers. An amount of \$17 million has been reserved for the centres, and the operators for these centres have already started the necessary planning work.

Preventive education has also been stepped up. Our aim is to inculcate in our young people a healthy and positive attitude to life, and to encourage them to resist the temptation to take drugs. The Education Department has taken a series of steps to beef up preventive education, targeting not only the young students but also parents; it is also carrying out a programme of assistance and training to schools and teachers to enable them to perform their essential task of educating their students to stay away from drugs more effectively. The Social Welfare Department has also set up a team of specially trained social workers to help young drug abusers.

We recognise the seriousness of the drug problem. In order to highlight the need for a concerted effort from the community as a whole to fight the war against drugs, and to tap the ideas of all concerned, the Governor chaired a Summit Meeting on Drugs in March. We are pursuing vigorously the action plans arising from the ideas and proposals from the Drugs Summit. The second quarterly progress report on these initiatives will be released later today. To add further impetus to the Beat Drugs campaign, we will set up a \$350 million Beat Drugs Fund to finance worthwhile projects to counter the drug problem.

The drug abuse problem is a complex challenge which should be tackled by the community as a whole. Together we can beat drugs.

Table 1. Analysis of drug abusers (reported to the Central Registry of Drug Abuse) by district of residence

District of residence	1992	1993	1994	For comparison	
				1995 (Jan-Jun)	1994 (Jan-Jun)
Hong Kong Island	2 278	2 650	3 140	1 859	1 905
Central & Western	378	381	510	257	280
Wanchai	381	436	513	293	310
Eastern	902	1 069	1 129	698	700
Southern	617	764	988	611	615
Kowloon & New Kowloon	6 633	7 421	8 144	5 107	5 024
Yau Tsim Mong	1 295	1 341	1 398	817	827
Sham Shui Po	1 478	1 539	1 703	1 139	1 018
Kowloon City	672	775	867	547	559
Wong Tai Sin	1 405	1 640	1 829	1 047	1 180
Kwun Tong	1 783	2 126	2 347	1 557	1 440
New Territories & Islands	5 070	6 402	7 762	4 621	4 663
Kwai Tsing	1 047	1 214	1 397	553	848
Tsuen Wan	538	669	754	637	469
Tuen Mun	1 110	1 400	1 678	993	1 049
Yuen Long	640	866	1 141	717	639
North	448	548	704	442	427
Tai Po	378	461	621	445	324
Sha Tin	629	817	998	613	615
Sai Kung	171	247	292	118	172
Islands	109	180	177	103	120
District unknown	1 235	1 219	1 280	392	762
Total	15 216	17 692	20 326	11 979	12 354

Table 2 Analysis of female drug abusers (reported to the Central Registry of Drug Abuse) by district of residence

District of residence	1992	1993	1994	For comparison	
				1995 (Jan-Jun)	1994 (Jan-Jun)
Hong Kong Island	177	247	339	188	182
Central & Western	31	37	59	24	27
Wanchai	44	45	67	34	31
Eastern	59	98	103	60	57
Southern	43	67	110	70	67
Kowloon & New Kowloon	591	703	793	536	434
Yau Tsim Mong	138	164	162	109	74
Sham Shui Po	125	130	159	114	88
Kowloon City	54	85	89	65	52
Wong Tai Sin	116	122	138	78	83
Kwun Tong	158	202	245	170	137
New Territories & Islands	436	643	936	543	515
Kwai Tsing	68	113	127	53	65
Tsuen Wan	55	60	91	61	51
Tuen Mun	120	167	258	131	146
Yuen Long	55	78	127	97	64
North	32	49	90	49	50
Tai Po	22	37	50	45	25
Sha Tin	57	86	135	83	79
Sai Kung	20	36	35	15	21
Islands	7	17	23	9	14
District unknown	61	63	111	42	60
Total	1 265	1 656	2 179	1 309	1 191

Table 3: Analysis of young drug abusers (reported to the Central Registry of Drug Abuse) aged under 21 by sex and district of residence

District of residence	For Comparison														
	1992			1993			1994			1995 (Jan-Jun)			1994 (Jan-Jun)		
	M	F	T	M	F	T	M	F	T	M	F	T	M	F	T
Hong Kong Island	328	65	393	472	100	572	653	163	816	355	90	445	434	91	525
Central & Western	74	19	93	59	16	75	103	24	127	34	11	45	64	9	73
Wanchai	19	9	28	26	7	33	29	15	44	15	9	24	21	9	30
Eastern	88	18	106	176	43	219	185	43	228	109	28	137	123	21	144
Southern	147	19	166	211	34	245	336	81	417	197	42	239	226	52	278
Kowloon & New Kowloon	453	142	595	764	210	974	910	241	1151	513	163	676	592	141	733
Yau Tsim Mong	38	15	53	66	29	95	95	31	126	43	28	71	51	9	60
Sham Shui Po	79	28	107	96	28	124	125	26	151	73	21	94	72	14	86
Kowloon City	42	11	53	86	21	107	87	20	107	64	20	84	58	12	70
Wong Tai Sin	98	32	130	178	40	218	231	61	292	94	20	114	164	43	207
Kwun Tong	196	56	252	338	92	430	372	103	475	239	74	313	247	63	310
New Territories & Islands	760	168	928	1227	284	1511	1719	481	2200	1006	242	1248	1057	268	1325
Kwai Tsing	133	11	144	193	37	230	231	53	284	77	16	93	145	25	170
Tsuen Wan	81	19	100	136	18	154	134	44	178	70	22	92	90	28	118
Tuen Mun	204	70	274	336	97	433	492	165	657	305	68	373	326	98	424
Yuen Long	88	20	108	173	34	207	255	64	319	165	47	212	145	30	175
North	63	8	71	93	21	114	147	55	202	101	24	125	84	32	116
Tai Po	51	6	57	68	17	85	149	20	169	102	21	123	82	11	93
Sha Tin	89	23	112	142	34	176	209	58	267	149	38	187	118	32	150
Sai Kung	26	8	34	39	16	55	64	13	77	23	3	26	37	6	43
Islands	25	3	28	47	10	57	38	9	47	14	3	17	30	6	36
District unknown	29	12	41	65	8	73	83	38	121	57	10	67	50	18	68
Total	1570	387	1957	2528	602	3130	3365	923	4288	1931	505	2436	2133	518	2651

Note : M -- Male F -- Female T -- Total

Parking spaces for hearses

* * * * *

Following is a question by the Hon Elizabeth Wong and a reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council of the following:

(a) what is the policy on the provision of parking spaces for the hearses fleets of funeral parlours;

(b) does the Government intend to designate parking spaces outside funeral parlours specifically for the parking of hearses; if not, why not; and

(c) what is the position regarding the designation of car parking spaces for funeral parlours; and with specific reference to the Funeral Parlour at Hung Hom, what measures has the Government adopted to resolve the parking problem there and when were such measures taken?

Reply:

Mr President,

Hearses are registered as light goods vehicles under the Road Traffic Ordinance. There are about 100 such vehicles owned by the operators of funeral parlours, other business concerns connected with this trade or individuals.

Funeral parlours either have on-site parking spaces for their fleet of hearses or have made other alternative arrangements for parking them at night, for example, in nearby carparks. As for the other hearses they can be parked on street in parking spaces designated 'P' under Schedule One of the Road Traffic (Parking) Regulations, that is, spaces earmarked for private cars and light goods vehicles.

It is not practical to designate specific parking spaces for hearses even outside funeral parlours. To do so would result in an uneconomical use of road space. However, where space is available, lay-bys are provided immediately outside or in the vicinity of funeral parlours and these can be used by hearses.

My understanding is that the present problem has resulted from the carpark above Kowloon Station no longer being available for the parking of hearses. This is because the access ramps are not designed for vehicles weighing more than 2.5 tonnes. Some 30 owners or drivers of hearses have been affected but half of them have already made their own arrangements for parking in a STT site in Tai Kok Tsui. To try to alleviate the overnight parking problem, the Transport Department has designated a few additional parking spaces along On Ching Road which is very close to the funeral parlours in Hung Hom and, in addition, are pursuing the provision of more parking spaces in Tokwawan. Separately, the operators of carparks on new short term tenancy sites will be required to provide access to all types of vehicles.

End/Wednesday, November 8, 1995

Restriction on sales of psychotropic drugs

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Following is a question by the Hon Eric Li Ka-cheung and a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Some medical practitioners abuse their authority by storing large quantities of psychotropic drugs and selling them to young persons illegally to make profits. The penalty imposed on such offenders is often merely a brief suspension of their registration, after which they can continue with their practice and sell psychotropic drugs illegally as before. In view of this, will the Government inform this Council whether:

(a) restriction will be imposed on the quantities of various types of psychotropic drugs which medical practitioners are allowed to store;

(b) it will require suppliers of these drugs to provide, on a periodic basis, information on the quantities of psychotropic drugs purchased by medical practitioners, so as to facilitate investigation in doubtful cases; and

(c) consideration will be given to raising the level of penalty as a deterrent?

Reply:

Mr President,

(a) Restricting the quantities of various types of psychotropic drugs which medical practitioners are allowed to store is one of the proposals being considered by a Working Group under the Hong Kong Medical Council. The Working Group was convened to consider amendments to the Professional Code and Conduct to tighten the control on the use of psychotropic drugs by medical practitioners. It is expected to put forward its recommendations to the Medical Council by early 1996.

(b) At present, suppliers of psychotropic drugs are required to provide information to the Department of Health about the quantities of these drugs purchased by medical practitioners. Those medical practitioners with high utilisation are asked to submit statistics and information on their use. Based on such information, the Department of Health can initiate investigation into cases suspected of inappropriate use.

(c) We have increased, with effect from 1 September 1995, the maximum penalty levels stipulated in the Pharmacy and Poisons Ordinance for offences including the illegal sale of drugs, from a fine of \$30,000 and imprisonment of one year to a fine of \$100,000 and imprisonment of two years. We are now considering proposing an increase, possibly of a larger magnitude, in the level of penalty for contravention of the requirements to keep proper records on the acquisition and supply of dangerous drugs, as stipulated in the Dangerous Drugs Regulations. This will increase the deterrent effect and combat possible abuses in the supply and prescription of psychotropic drugs by medical practitioners.

End/Wednesday, November 8, 1995

Police deployment on public gatherings

Following is a question by the Hon Tsang Kin-shing and a reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

On the 28 September this year, a small group of demonstrators held a demonstration at Kai Lok Temporary Housing Area to protest against the Government's delay in clearing some Temporary Housing Areas. Another group staged a peaceful demonstration at the Convention and Exhibition Centre on 29 September protesting against the attendance of guests at the People's Republic of China National Day reception. During both demonstrations, the demonstrators were held back unreasonably by the police, resulting in conflicts between the demonstrators and the police. In this connection, will the Government inform this Council :

(a) how many members of the police force were mobilised to maintain order on these two occasions; and what were the criteria adopted by the police to deploy its manpower;

(b) what legal basis the police have in stopping demonstrators from staging peaceful demonstrations, and whether the police have taken into account the right granted to the public under the Bill of Rights Ordinance when taking such action ;

(c) whether appropriate internal disciplinary actions will be taken by the authority concerned against the police for using force on the scene against demonstrators staging peaceful demonstrations; and

(d) whether the police force and the Security Branch will conduct internal reviews on how to avoid using force against demonstrators in the light of the experience gained from these two incidents?

Reply:

Mr President,

There are four parts in this question and I shall answer them in turn.

(a) 59 police officers were deployed on traffic and crowd control duties at Kai Lok Temporary Housing Area on 28 September, with 41 officers stood by in the vicinity on reserve. 63 police officers were deployed to maintain order outside the Hong Kong Convention and Exhibition Centre on 29 September, and 164 officers stood by in the vicinity on reserve. The number of police officers deployed in crowd control and the maintenance of public order vary according to the nature and location of the event, the size and the mood of the crowds, and the circumstances of each case. The objective is to prevent any possible breach of the peace, to protect property, to ensure the safety of demonstrators, police officers, and other members of the public, while at the same time allow the public to express their views peacefully and freely.

(b) The Police have a general power under section 6(b) of the Public Order Ordinance to control and direct the conduct of all public gatherings and specify the route by which any public procession may pass. Under section 45 of the Ordinance, any police officer may use such force as may be reasonably necessary to overcome any resistance to the exercise of this and other powers conferred by the Ordinance. The Police also have a duty under section 10 of the Police Force Ordinance to take lawful measures for preserving public peace and safety, for regulating processions and assemblies in public places, and for controlling traffic on and removing obstructions from public thoroughfares. These provisions are consistent with Article 17 of the Bill of Rights which recognises the right of peaceful assembly, while permitting restrictions on the exercise of that right which are in conformity with the law and which are necessary in the interests of, among other things, public safety or public order.

(c) The Police have so far received two complaints of assault by police officers during the two incidents on 28 September and 29 September respectively. Since these two complaints are under investigation, it would be inappropriate for me to comment on them, as to do so could prejudice investigation of the complaint. I should add, in this context, that 10 police officers sustained injuries during these two incidents.

(d) It is the normal practice for the Police to conduct an internal review after each major operation. The experience of these two incidents will be taken into account in planning future operations.

End/Wednesday, November 8, 1995

Clearance of squatter areas

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Following is a question by the Hon Chan Kam-lam and a reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council :

(a) the number of squatters in the territory which have yet to be cleared and their location;

(b) of the breakdown by number and location of public and temporary housing units which the Government has set aside for rehousing squatters who are affected by clearance; and

(c) whether, in the event of the number of public and temporary housing units set aside being insufficient to rehouse all affected squatters, the Government will consider deferring the clearance of some squatter areas which do not pose immediate danger, and postponing the target date of clearing all squatter areas before March 1996 as pledged by the Governor in his recent Policy Address?

Reply:

Mr President,

In 1992, there were about 33,500 urban squatters living on Government land covered by the Government's undertaking to offer rehousing by March 1996. Of these, 28,000 have already been rehoused. The majority of the remaining 5,500 occupy about 2,000 structures in 13 squatter areas: 11 located on Hong Kong Island and two in Kowloon. Please refer to the information I have just tabled (Annex A). These squatter areas are being cleared, and residents are being offered or will be offered rehousing shortly.

In 1995-96, the Housing Department has set aside a quota of 1,200 public rental housing units and 2,400 temporary housing accommodation places for all urban squatter clearerees. For a breakdown of this provision, please refer to the information tabled (Annex B). The accommodation set aside will be sufficient to meet the rehousing needs of the remaining 5,500 urban squatters on Government land.

Annex A

Urban squatters on government land

<u>Location</u>	<u>District</u>	<u>Squatter population</u>
Telegraph Bay (#)	Southern District	633
Tai Tam Tuk Village	Southern District	156
Tai Tam	Southern District	82
Tung Ah Pui Village	Southern District	111
Lan Lai Wan	Southern District	46
To Tei Wan	Southern District	84
Ngan Hang Wan	Southern District	116
Tai Wan Sun Chuen	Southern District	649
Upper Kai Lung Wan	Southern District	283
Wong Chuk Hang Old Village	Southern District	97
St Stephen's Beach Village	Southern District	39
Ma Pui Village	Kwun Tong	620
Che Tang Village (#)	Kwun Tong	834
Total		3,750 (*)

(#) Date of clearance will be announced shortly.

(*) The balance of 1,750 people out of the 5,500 referred to in the main answer are living in squatter areas on urban Government land throughout the territory.

Annex B

**Urban public rental housing and temporary housing accommodation
available for residents affected by urban squatter clearances
for the period 1.4.1995 to 31.3.1996**

(a) Public rental housing

<u>District</u>	<u>New flats</u>	<u>Refurbished flats</u>	<u>Estates</u>
<u>Hong Kong Island</u>			
Eastern	480	also available	Yiu Tung, Chai Wan, Fung Wah, Hing Man, Hing Wah, North Point, Siu Sai Wan, Tsui Wan, Wan Tsui, Yue Wan
Central & Western	0	ditto	Sai Wan
Southern	40	ditto	Ap Lei Chau, Lei Tung, Ma Hang, Shek Pei Wan, Wah Fu 1, Wah Fu 2, Wong Chuk Hang, Wah Kwai
<u>Kowloon</u>			
Kowloon City	0	ditto	Hung Hom, Homantin, Ma Tau Wai, Oi Man, Valley Road
Kwun Tong	20	ditto	Ko Yee, Choi Ha, Hing Tin, Kwong Tin, Kai Yip, Lam Tin, Lok Wah North, Lok Wah South, Ngau Tau Kok 1, Ngau Tau Kok 2, Ping Shek,

			Shun Lee, Sau Mau Ping 1, Sau Mau Ping 2, Sau Mau Ping 3, Shun On, Shun Tin, Tsui Ping North, Tsui Ping South, Tak Tin, Upper Ngau Tau Kok, Wo Lok
Sham Shui Po	0	ditto	Chak On, Cheung Sha Wan, Lai On, Lei Cheng Uk, Lai Kok, Nam Cheong, Nam Shan, Pak Tin, Shek Kip Mei, So Uk, Tai Hang Tung, Un Chau Street
Wong Tai Sin	260	ditto	Choi Fai, Lok Fu, Tung Tau 1, Choi Hung, Choi Wan 1, Choi Wan 2, Chuk Yuen South, Chuk Yuen North, Fu Shan, Fung Tak, Mei Tung, Shatin Pass, Tsz Ching, Tsz Lok, Tsz Man, Tung Tau 2, Upper Wong Tai Sin, Wang Tau Hom, Wong Tai Sin 1, Wong Tai Sin 2
Total	800	400 (*)	

(*) These flats are in various estates and are reserved for residents affected by urban squatter clearances.

Annex B

(b) Temporary housing accommodation

<u>District</u>	<u>Number of spaces (persons)</u>	<u>Temporary Housing Area</u>
Sham Shui Po	1,850	Fat Tseung Street Lung Ping Road Yen Chow Street
Kwun Tong	500	Kai Lok Kai Wo Kai Yiu
Wong Tai Sin	50	Yuen Tung
Total	2,400 (#)	

(#) The actual location of THA places for urban squatter clearances will be adjusted regularly in the light of operational requirements.

Supplementary Labour Scheme

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Following is a question by the Hon James Tien Pei-chun and a reply by the Secretary for Education and Manpower, Mr Joseph Wong, in the Legislative Council today (Wednesday):

Question:

Under the Supplementary Labour Scheme, employers must advertise their vacancies in newspapers for a specific period of time and participate in a job-matching scheme to prove that local workers are not available before they can apply for a quota to import workers. In this connection, will the Government inform this Council:

(a) whether the application procedures will be simplified and the processing time shortened, so that factory operators may be granted quotas for importing foreign workers have expired and recruitment of replacement staff has been unsuccessful; and

(b) whether the Government, in deciding to terminate the General Importation of Labour Scheme and formulating the Supplementary Labour Scheme, has considered or assessed what adverse effects such a change will have on the industrial and commercial developments in the territory?

Reply:

Mr President,

(a) The objective of the proposed Supplementary Labour Scheme is to allow for the entry of a limited number of imported workers to fill vacancies that cannot be filled locally. The proposed procedures under the Scheme are designed to safeguard the employment opportunities of local workers and to ensure that employers who have a genuine need to import workers are able to do so.

In the proposals set out in the report on the Review of the General Labour Importation Scheme, employers wishing to import workers are required first to advertise their vacancies in local newspapers for two weeks and undergo a four-week recruitment exercise. After that, they will be required to participate in the Job Matching Programme (JMP) of the Labour Department for two months before their applications are processed further. The Employees Retraining Board will be involved, where appropriate, to organise tailor-made courses or to arrange on-the-job training for local workers.

Since the issue of the report on the Review of the General Scheme, we have consulted the Labour Advisory Board (LAB) and are continuing our discussions with Members of this Council. We are also listening to public views. At its meeting on 2 November 1995, the LAB agreed in principle to monitor the Supplementary Labour Scheme. It also recommended some changes to streamline the application procedures and shorten the duration of the recruitment period from 3 months to 2 months. This is achieved by allowing the employer to conduct the recruitment exercise concurrently with the Labour Department's JMP. The LAB also recommended that special cases which have already gone through the advertisement and JMP process may be given special consideration for early approval if so recommended by LAB. These are reasonable recommendations which Government will consider positively.

(b) Our proposal to terminate the General Labour Importation Scheme and to introduce the Supplementary Labour Scheme followed a comprehensive review of the General Scheme. The review took into account the results of the enhanced surveys which had been undertaken to provide more information on the profile of those who were unemployed and on the job vacancies. It also took into account the community's concern on the matter and the views expressed by Members of this Council, the trade unions and the employers' associations.

We do not believe that the termination of the General Scheme coupled with the introduction of the proposed SLS would have any adverse effect on industrial and commercial developments. The General Scheme was introduced in 1989 against the background of a very tight labour market and acute labour shortage. However, the labour market has undergone substantial changes in recent months. We now have a surplus of local workers in those broad occupations which cover jobs of a similar nature to many of the posts now occupied by the imported workers under the General Scheme. But we recognise that there may be areas of labour shortage or surplus of vacancies at the individual job level which cannot be ascertained through any statistical surveys.

Also, there may be vacancies that our more sophisticated workforce no longer want to fill. The proposed Supplementary Labour Scheme seeks to retain the policy option of employing a limited number of foreign workers to take up jobs which cannot be filled by local workers, so as to maintain the competitiveness of Hong Kong as an open and flexible economy. As such, it should have a positive impact on the business development of Hong Kong, while ensuring that local workers will not be deprived of any job opportunities.

End/Wednesday, November 8, 1995

Assistance for NT residents affected by flooding

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Following is a question by the Hon Cheung Hon-chung and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

Residents of northern and north-western New Territories are constantly plagued by the problem of flooding, which always occurs at times of torrential downpour. Such flooding causes destruction to residential homes and crops, resulting in financial losses to residents and farmers. In this connection, will the Government inform this Council:

(a) whether the Government provides any financial assistance to affected farmer households after each flooding; if so, through what channels can they obtain assistance and what is the amount of financial assistance given to each household; and

(b) whether there are any special arrangements and measures to assist residents affected by flooding in resolving their housing problem?

Reply:

(a) For full-time subsistence farmers adversely affected by natural disasters such as floods, grants are made available from the Emergency Relief Fund to alleviate any consequential financial hardship. These grants are given to assist farmers to repair the damage and resume production. They are made in accordance with a payment schedule which is revised from time to time to reflect increases in prices and wages. Currently, an eligible farmer can be provided with a grant of up to \$4,680 for the rehabilitation of a farm and a grant of up to \$9,110 for rebuilding a stock house or farm building destroyed or severely damaged by flooding. In addition, a farmer may apply for a low-interest agricultural loan of up to \$50,000 as working or development capital for resuming farm production.

In the event of a natural disaster, the District Offices of the Home Affairs Department co-ordinate the emergency relief work of various Government departments at district level and publicise emergency relief arrangements including the availability of grants from the Emergency Relief Fund. Victims are fully briefed by District Office staff on site and at temporary shelters on the various forms of emergency assistance available and advised on where and how to apply. Applications received by the District Offices are promptly referred to the relevant Government departments for processing.

(b) The Government also provides temporary shelter for residents affected by flooding. For immediate relief, registered victims of flooding in need of assistance will be provided with accommodation in temporary shelters or transit centres. People normally return to their own accommodation after flooding subsides. Where squatter structures have been rendered permanently uninhabitable, the Housing Department will arrange for the occupants to be rehoused in permanent rental housing or in temporary housing accommodation according to their eligibility.

End/Wednesday, November 8, 1995

Human rights and freedom of Hong Kong people

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Following is a question by the Hon Tsang Kin-shing and a written reply by the Secretary for Home Affairs, Mr Michael Suen, in the Legislative Council today (Wednesday):

Question:

The Preliminary Working Committee's Legal Sub-group recently proposed that the Standing Committee of the National People's Congress should repeal six amendment ordinances which have been enacted so as to bring the principal ordinances in line with the Bill of Rights or the Basic Law. In this connection, will the Government inform this Council:

(a) whether the Government, in formulating the relevant amending legislation, has taken into account section 8 of the Basic Law and the principle of the Sino-British Joint Declaration which states that the existing laws will remain basically unchanged;

(b) how it will ensure that the laws safeguarding human rights and the freedom of the Hong Kong people can straddle 1997; and

(c) what measures will be put in place to safeguard human rights and the freedom of the people of Hong Kong in the light of the Chinese and British Governments having different interpretation of the status of the Bill of Rights?

Reply:

(a) The amendments in question were made to ensure that the laws were consistent with the Bill of Rights Ordinance (BORO) and hence were consistent with the provisions of the International Covenant on Civil and Political Rights (ICCPR) as applied to Hong Kong. Both the Joint Declaration and the Basic Law stipulate that the provisions of the ICCPR as applied to Hong Kong shall remain in force and Article 39 of the Basic Law provides that restrictions on the rights and freedoms enjoyed by Hong Kong residents shall not contravene the ICCPR as applied to Hong Kong. Amendments to laws to ensure consistency with the ICCPR are therefore consistent with both the Joint Declaration and the Basic Law.

Another equally important purpose was to modernise the relevant laws by updating obsolete provisions and removing anomalies. As in the case of other societies, we update our laws to take into account changing circumstances and developing jurisprudence. This is not in conflict with the Joint Declaration which provides that the laws currently in force in Hong Kong will remain basically unchanged.

(b) The Joint Declaration specifically provides that the provisions of the ICCPR as applied to Hong Kong shall remain in force. Article 39 of the Basic Law also provides that provisions of the ICCPR as applied to Hong Kong shall be implemented through the laws of Hong Kong. Accordingly, those laws safeguarding the human rights and freedom of Hong Kong people, which are compatible with the provisions of the ICCPR, shall remain in force.

(c) The continued application of the ICCPR and the International Covenant on Economic, Social and Cultural Rights are provided for in the Joint Declaration and the Basic Law. Our position on the BORO is clear. The matter was taken up at the meeting of the Joint Liaison Group last week and we will continue to pursue this with the Chinese side through formal channels.

End/Wednesday, November 8, 1995

Electricity demand and generating capacity

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Following is a question by the Hon Christine Loh and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question:

Under the scheme of control agreements, the profit levels of the territory's electric utilities are directly linked to building more power stations and electricity generating hardware. The utilities have pointed out that building new power stations and generating hardware is justified as the trends in present demand levels point to future shortfalls in generating capacity. In this connection, will the Administration provide this Council with a graphic breakdown of the 1994 electricity consumption patterns, both in total and by economic sector (industrial, commercial and domestic) in one-hour intervals, so that the public can see how electricity demand correlates with generating capacity?

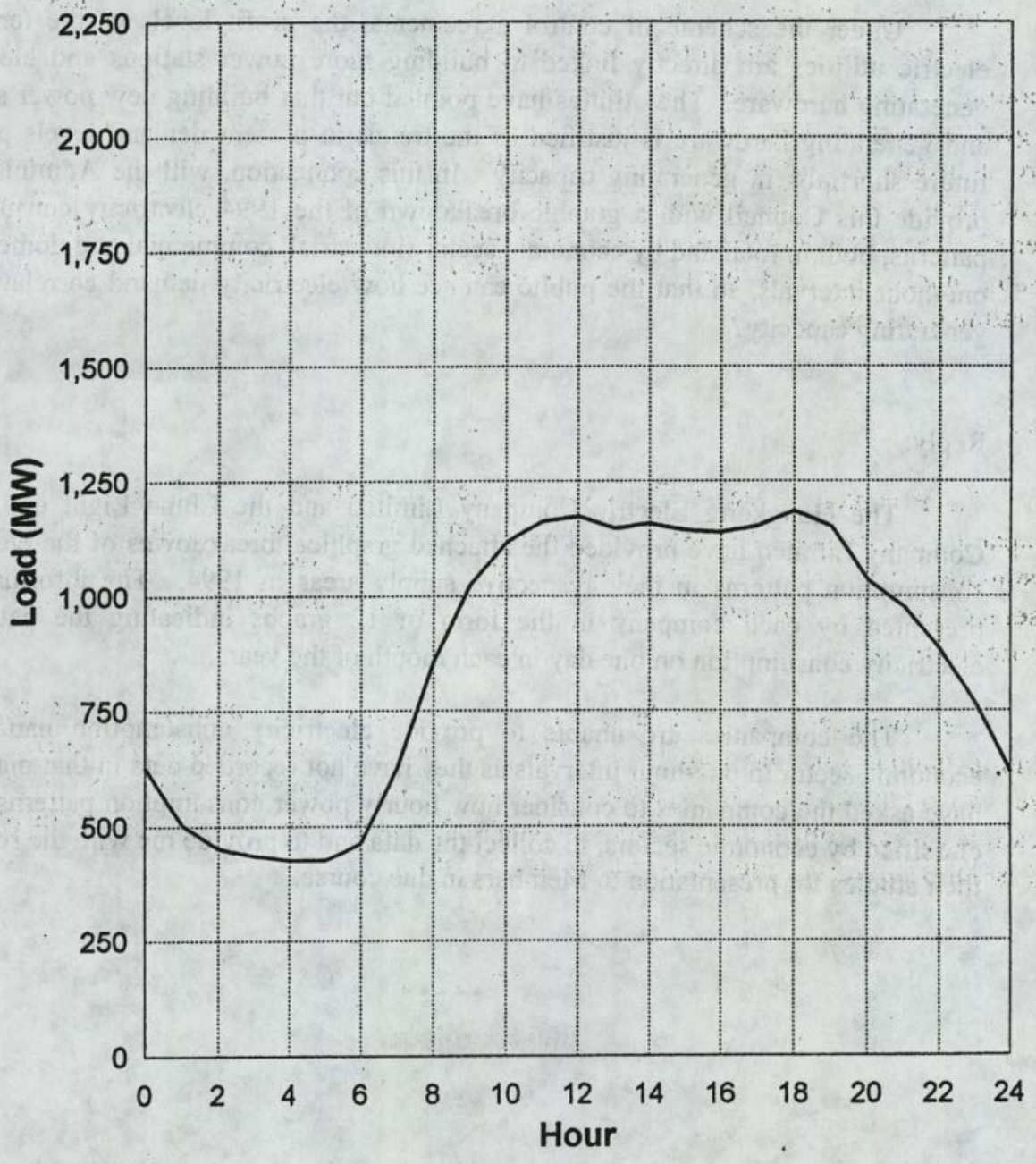
Reply:

The Hongkong Electric Company Limited and the China Light and Power Company Limited have provided the attached graphical breakdowns of the electricity consumption patterns in their respective supply areas in 1994. The information is presented by each company in the form of 12 graphs indicating the pattern of electricity consumption on one day in each month of the year.

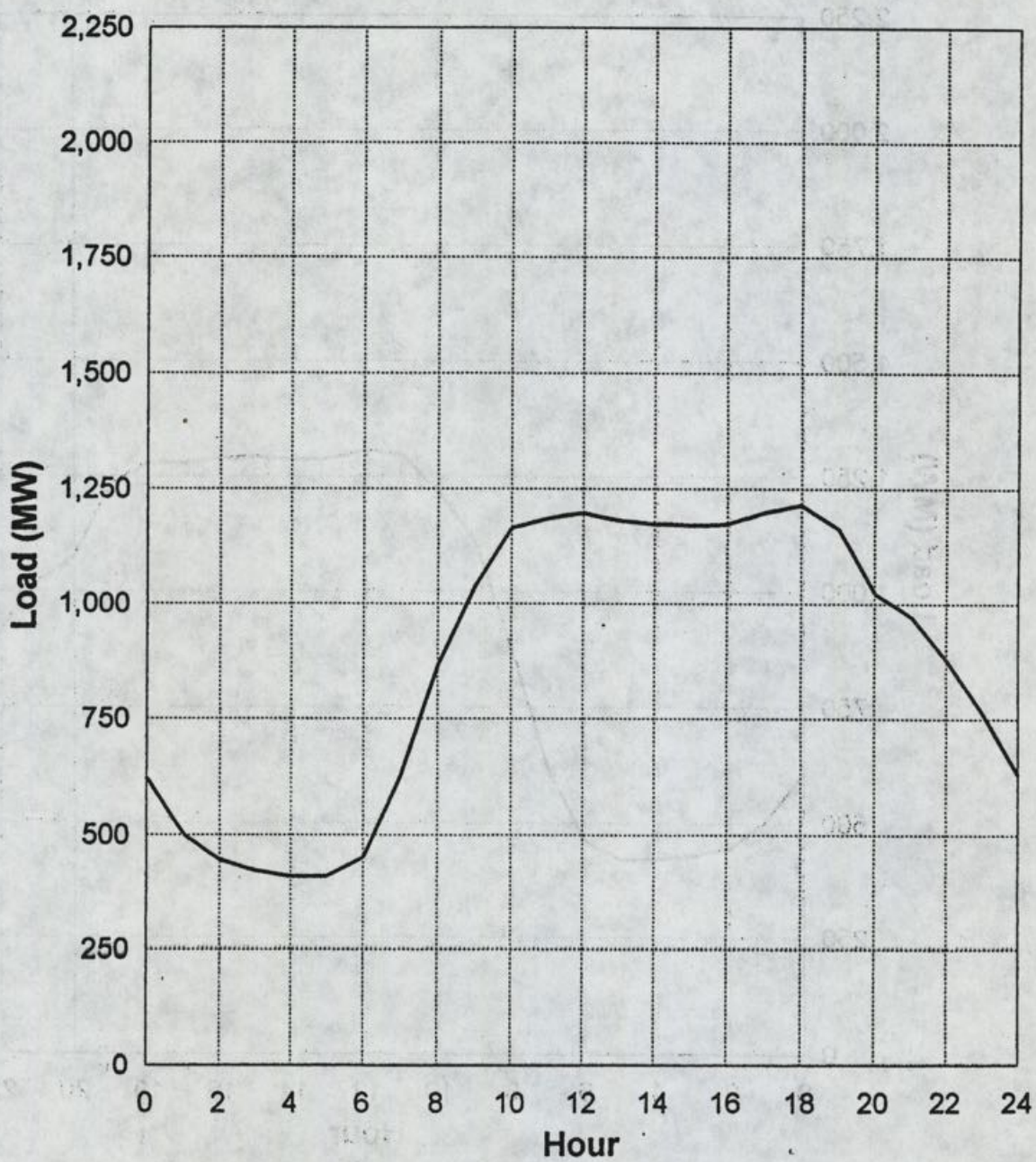
The companies are unable to provide electricity consumption patterns by economic sector in one-hour intervals as they have not recorded data in that manner. I have asked the companies to consider how hourly power consumption patterns can be classified by economic sectors, to collect the data and to provide me with the results of their studies for presentation to Members in due course.

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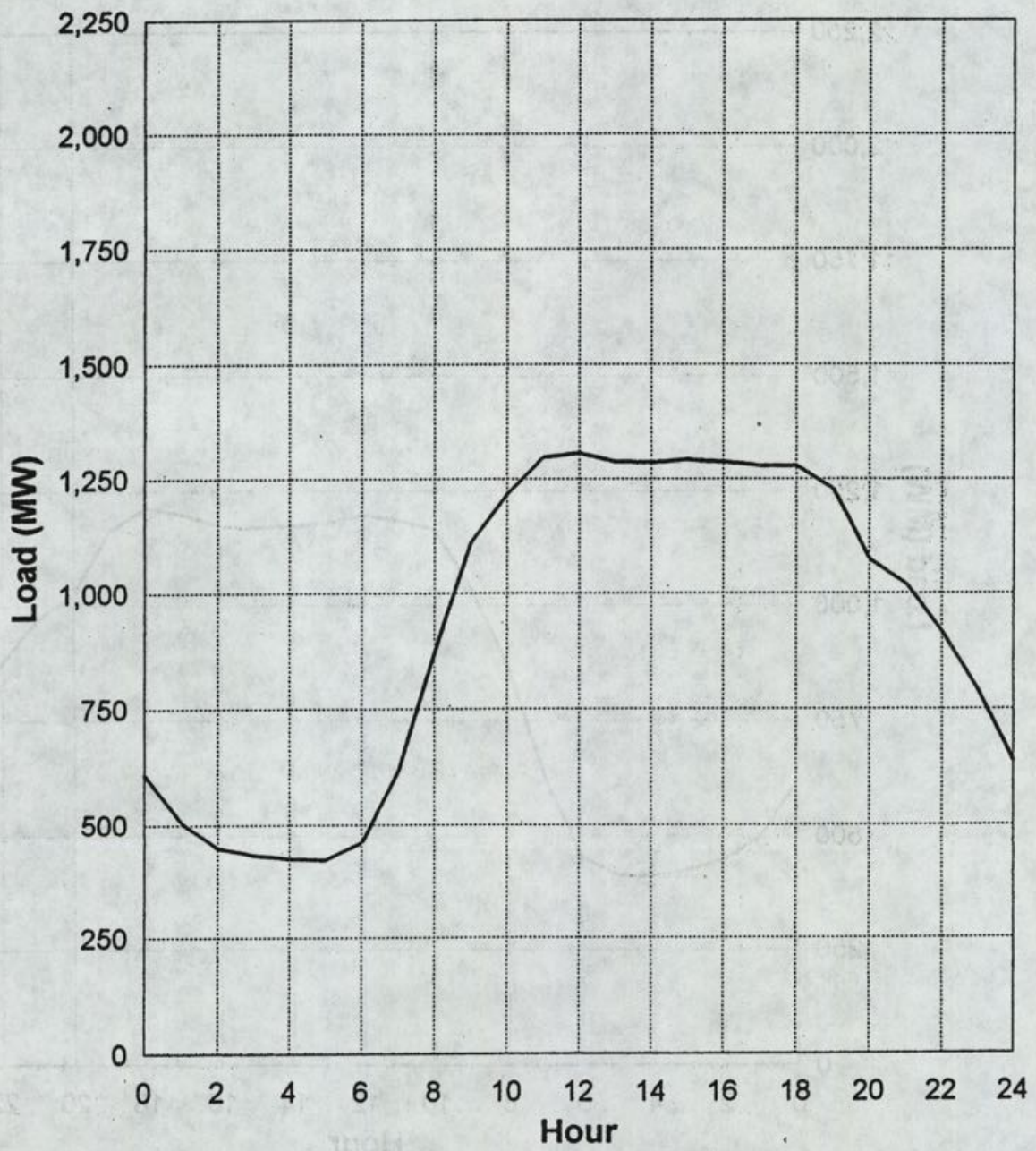
HEC System Demand 25/01/94, Tuesday



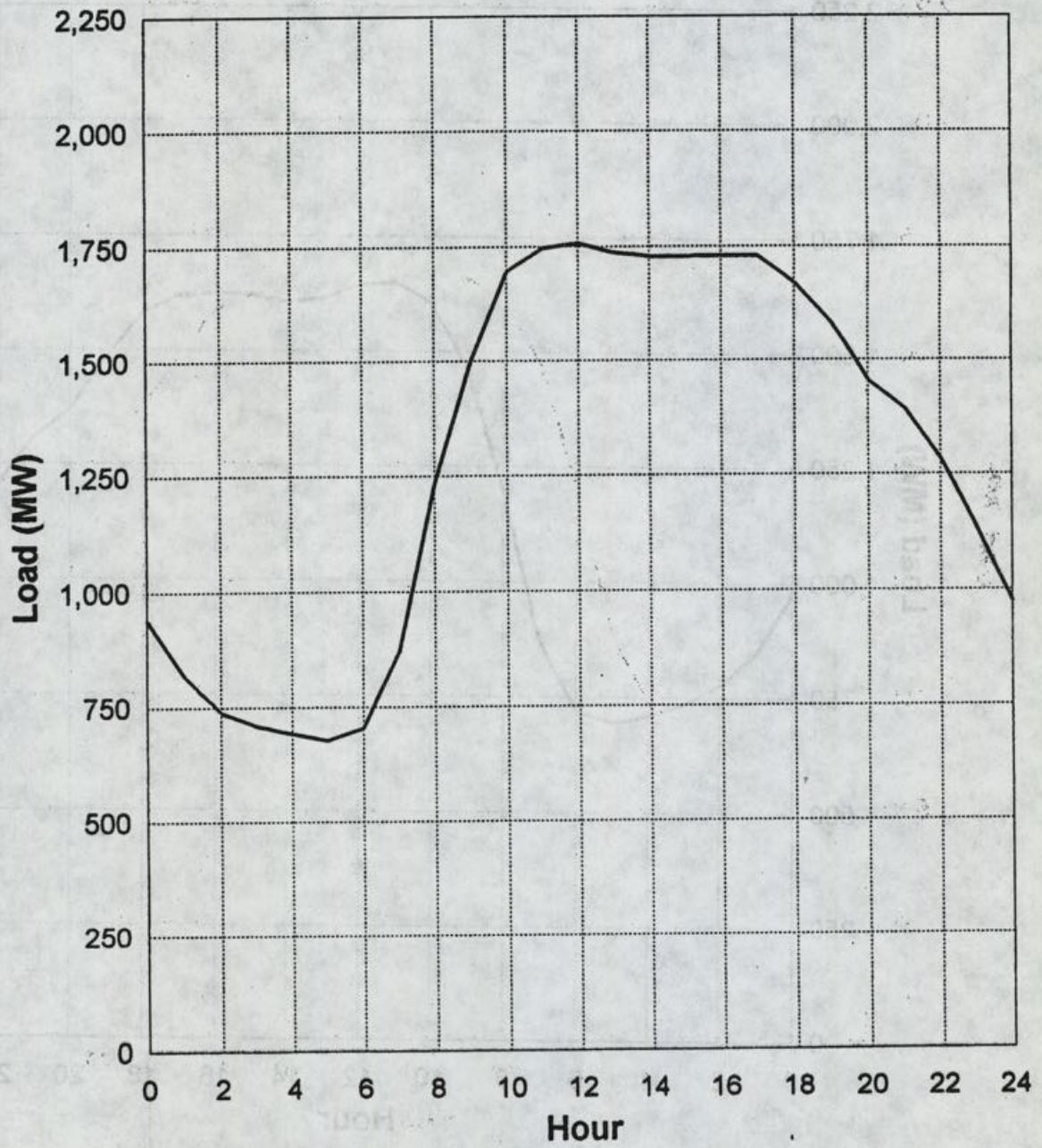
HEC System Demand 22/02/94, Tuesday



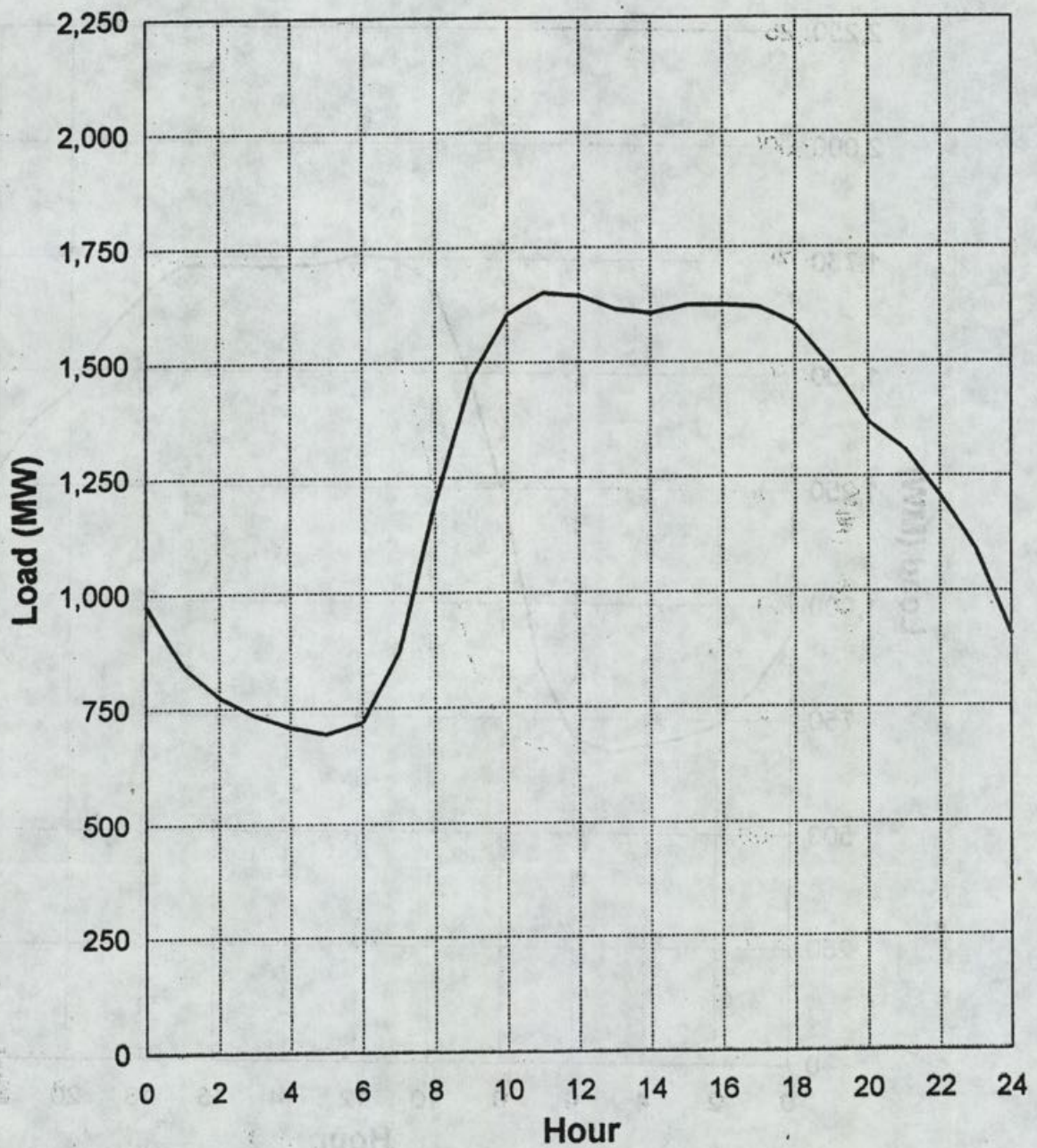
HEC System Demand 29/03/94, Tuesday



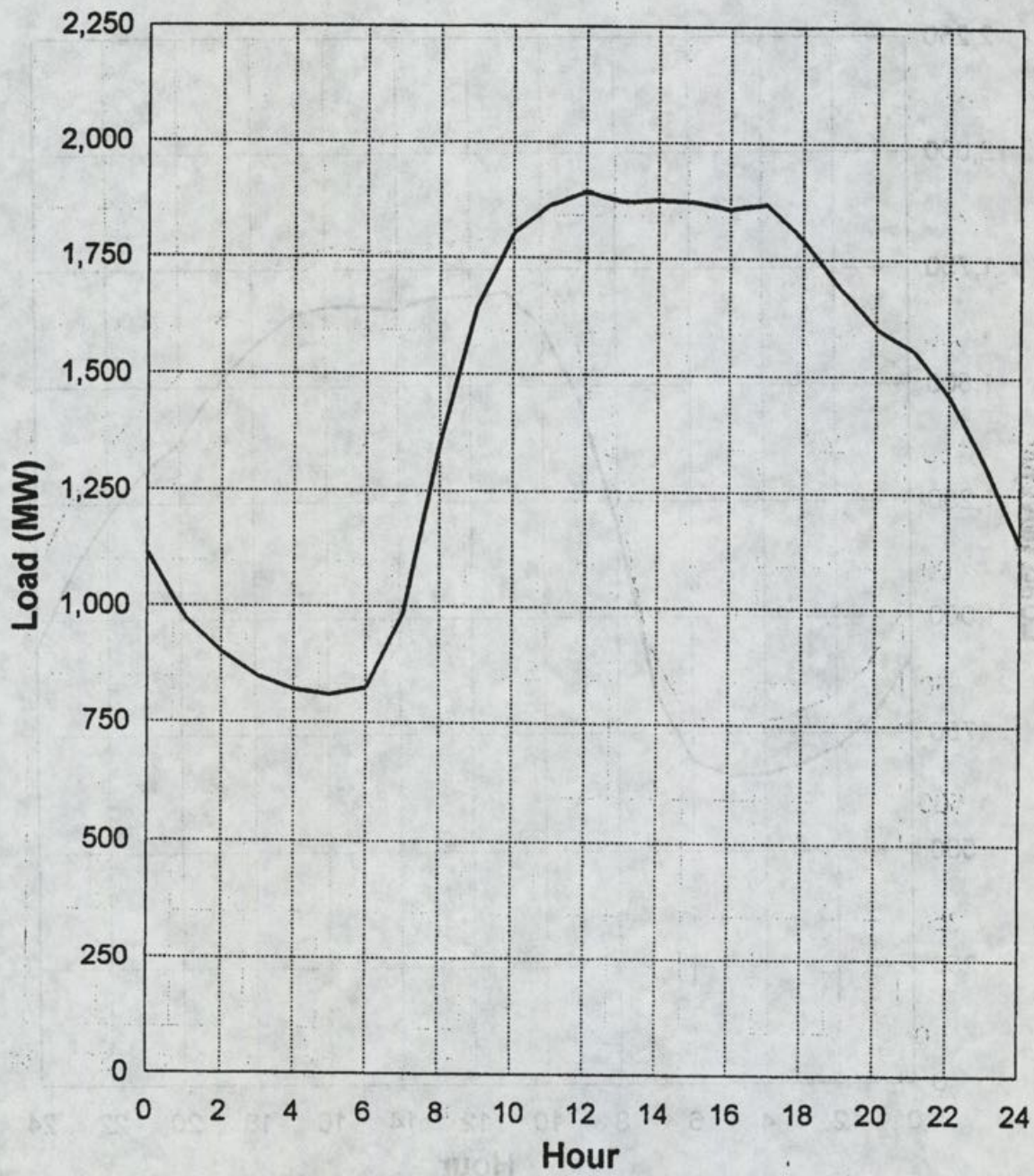
HEC System Demand 26/04/94, Tuesday



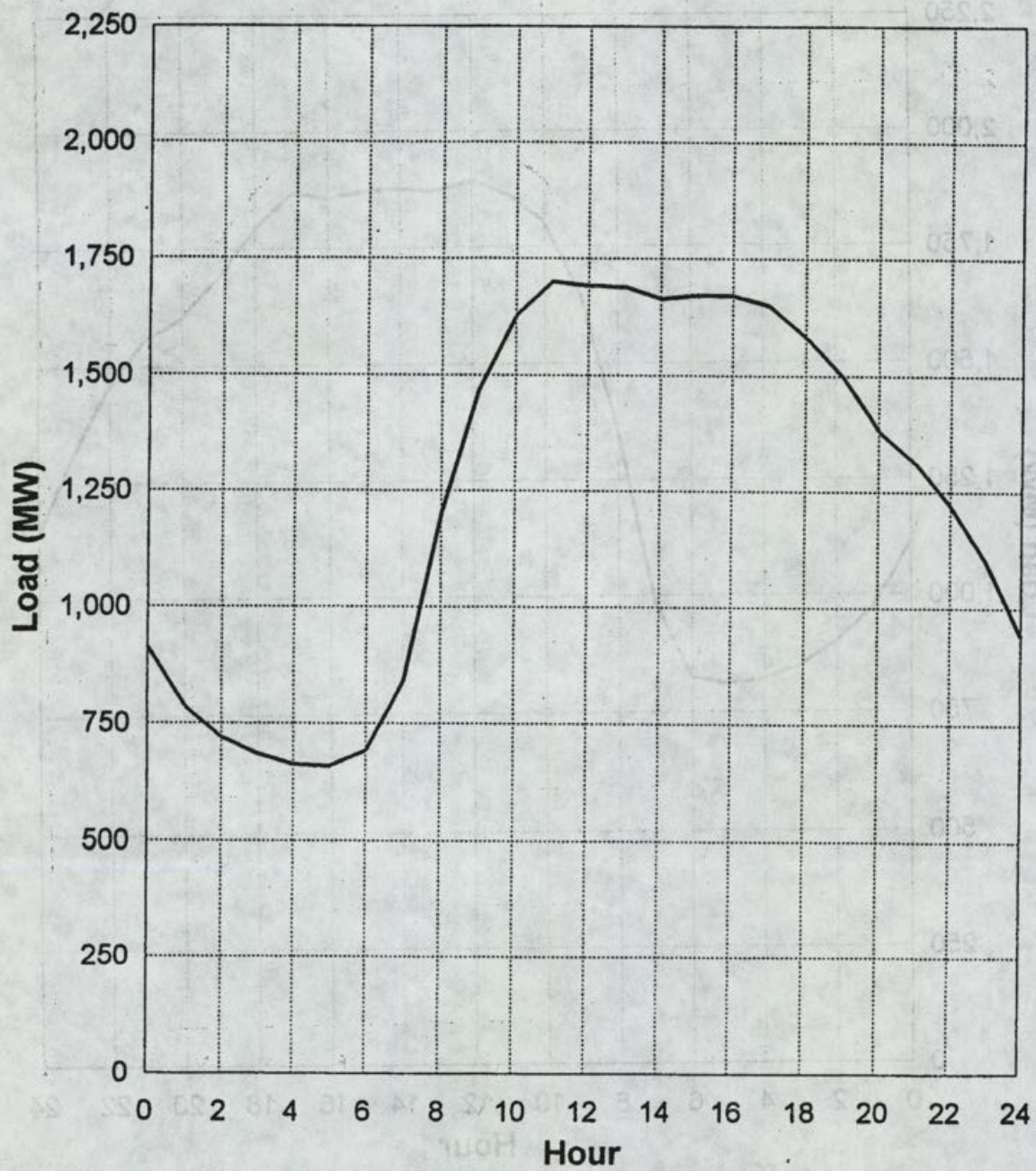
HEC System Demand 31/05/94, Tuesday



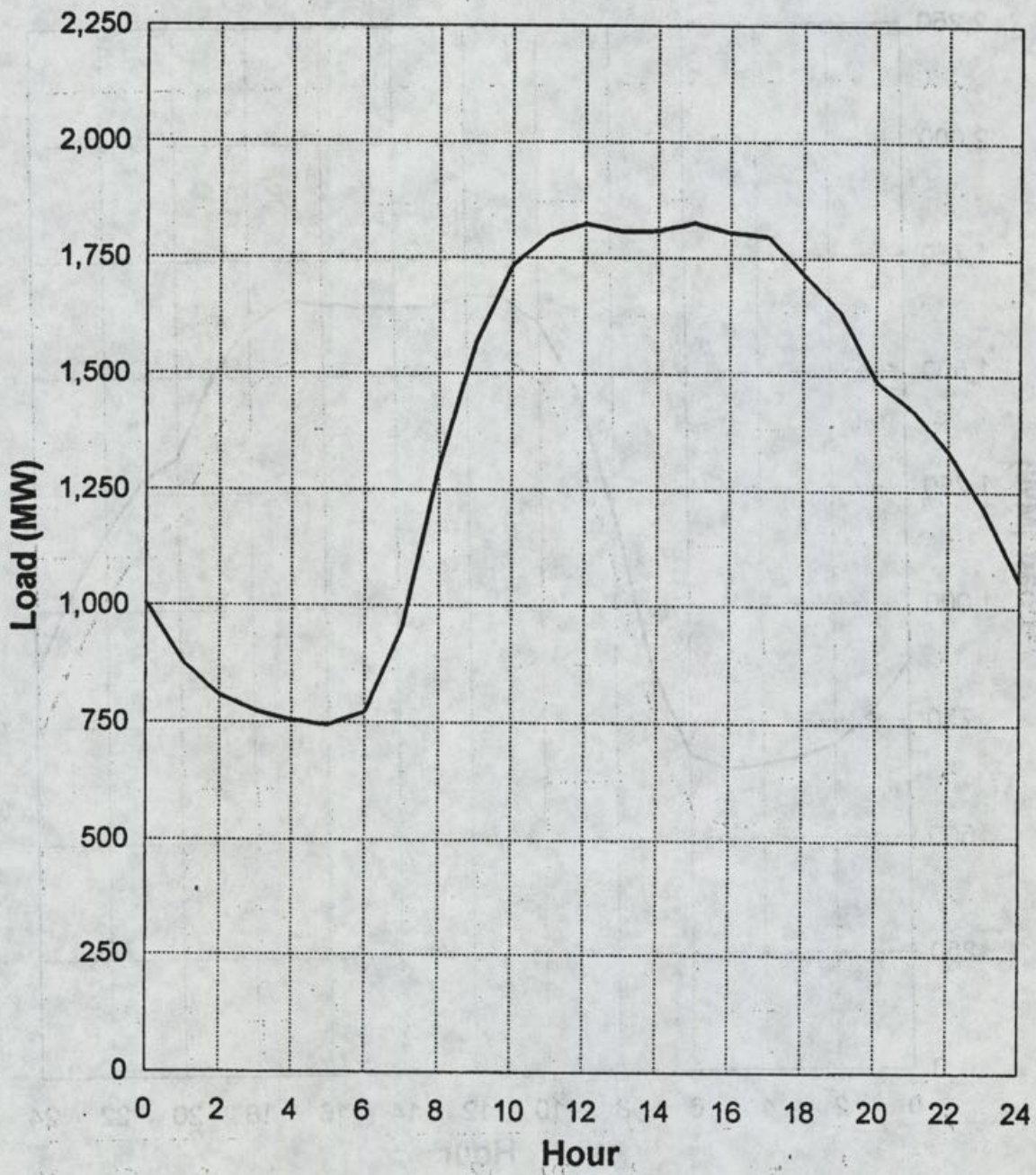
HEC System Demand 28/06/94, Tuesday



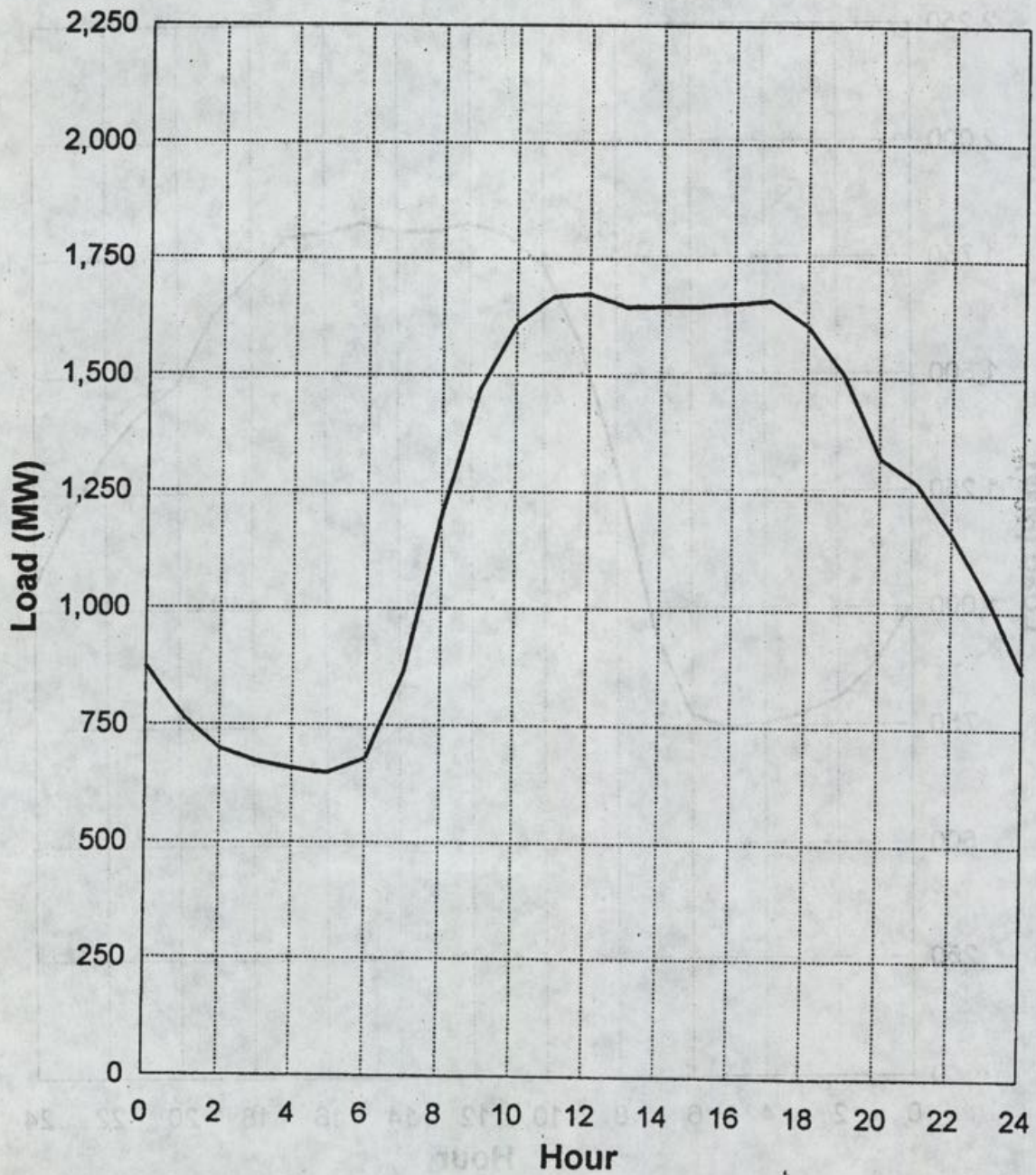
HEC System Demand 26/07/94, Tuesday



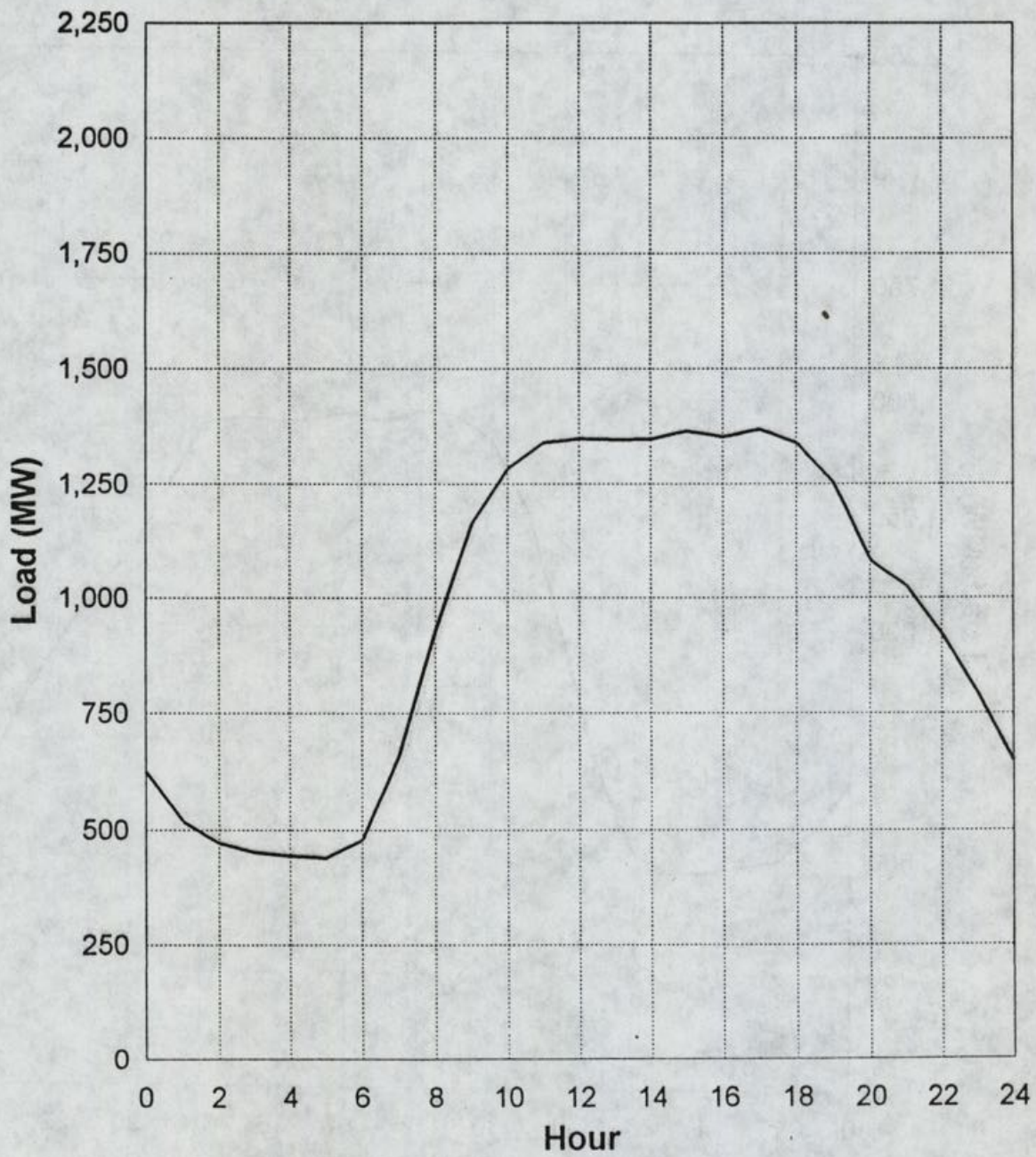
HEC System Demand 30/08/94, Tuesday



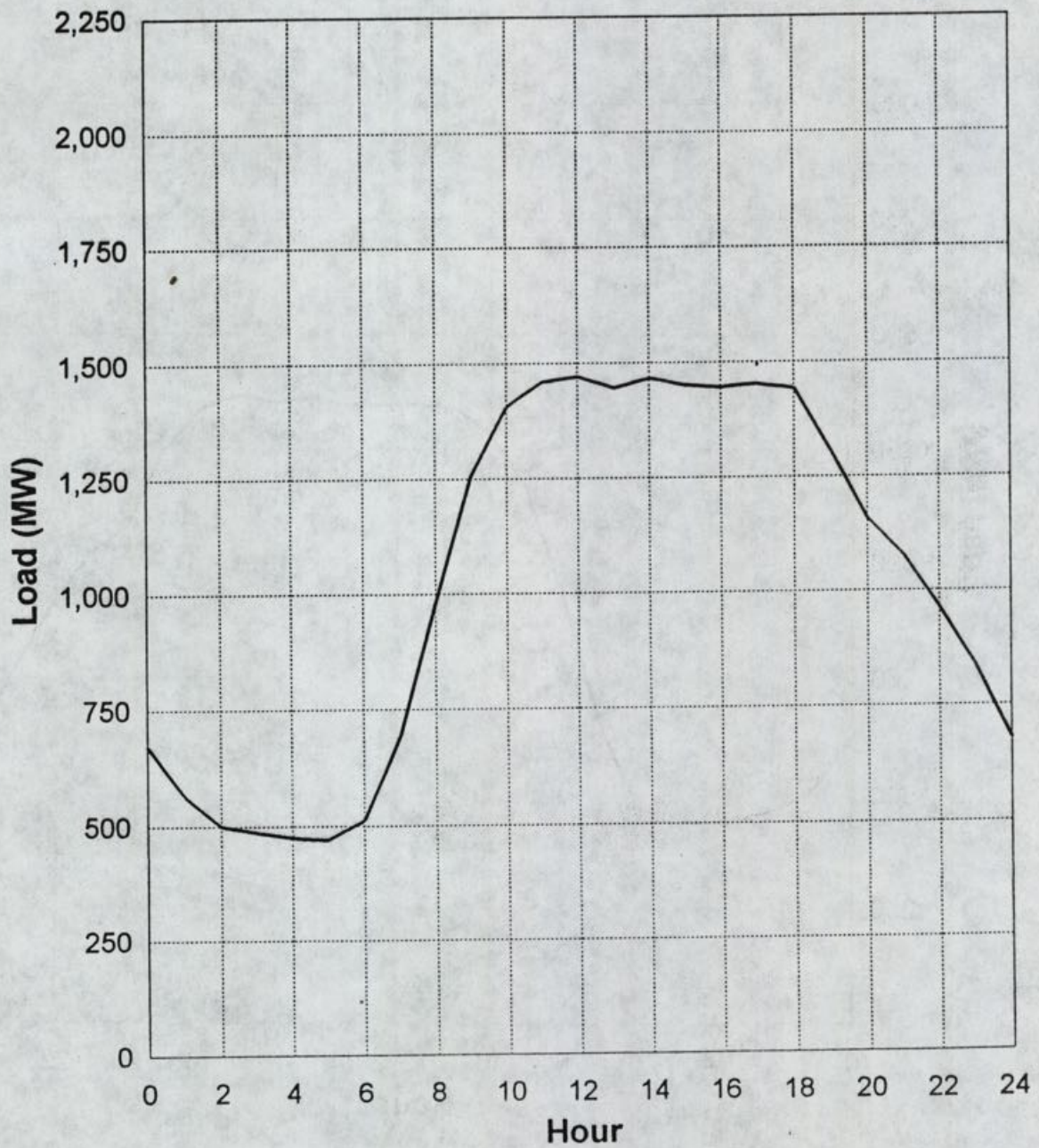
HEC System Demand 27/09/94, Tuesday



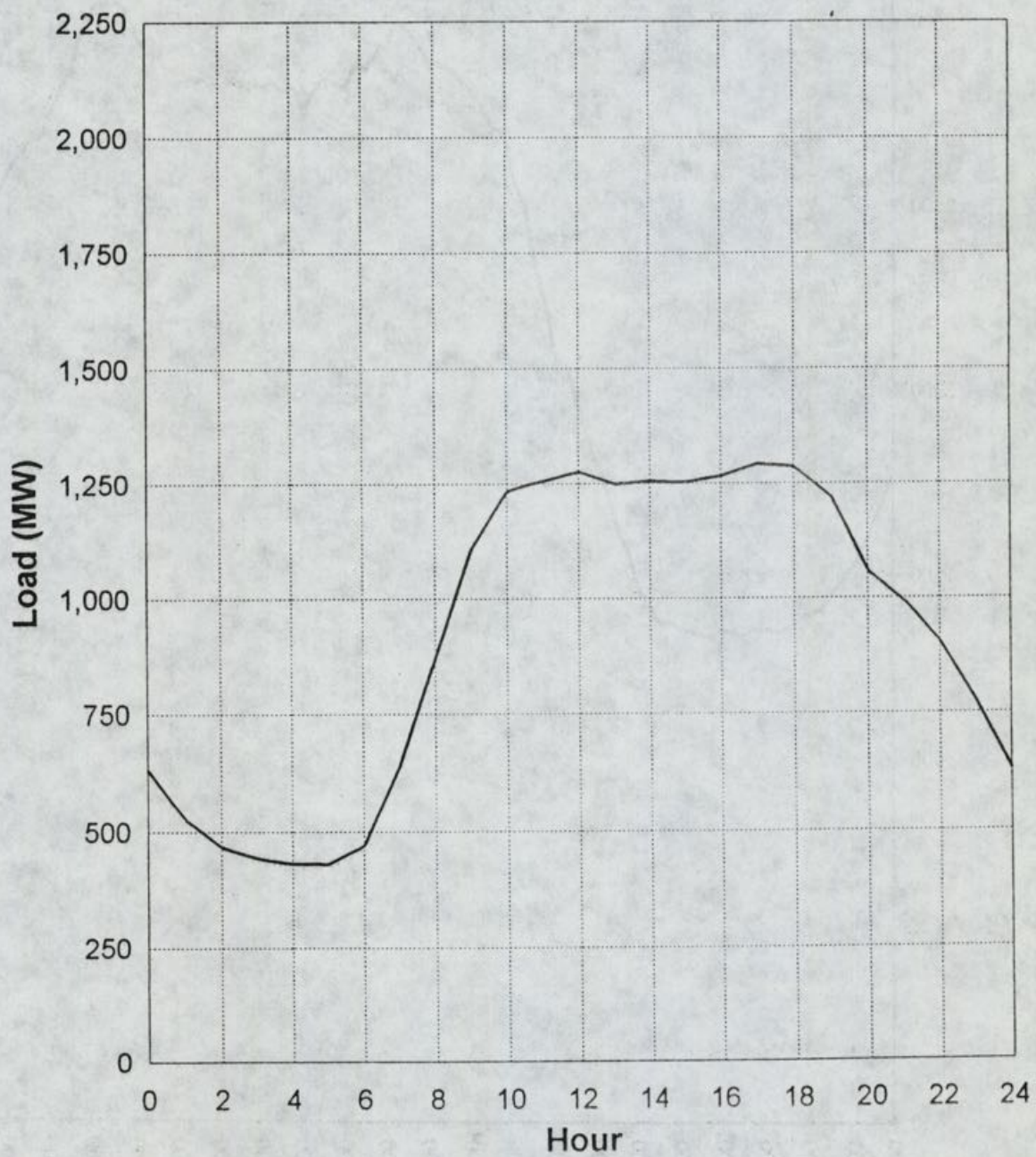
HEC System Demand 25/10/94, Tuesday



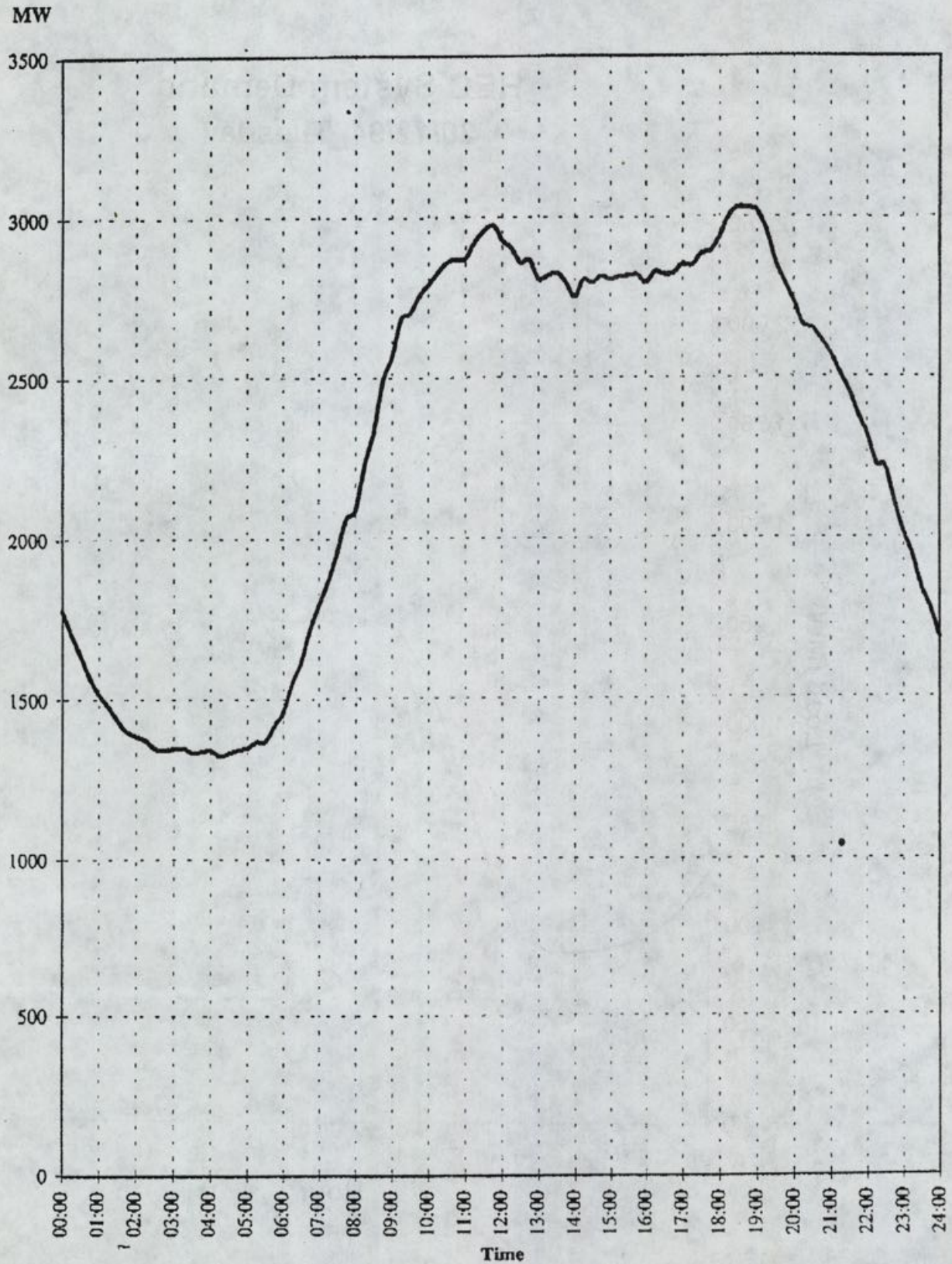
HEC System Demand 29/11/94, Tuesday



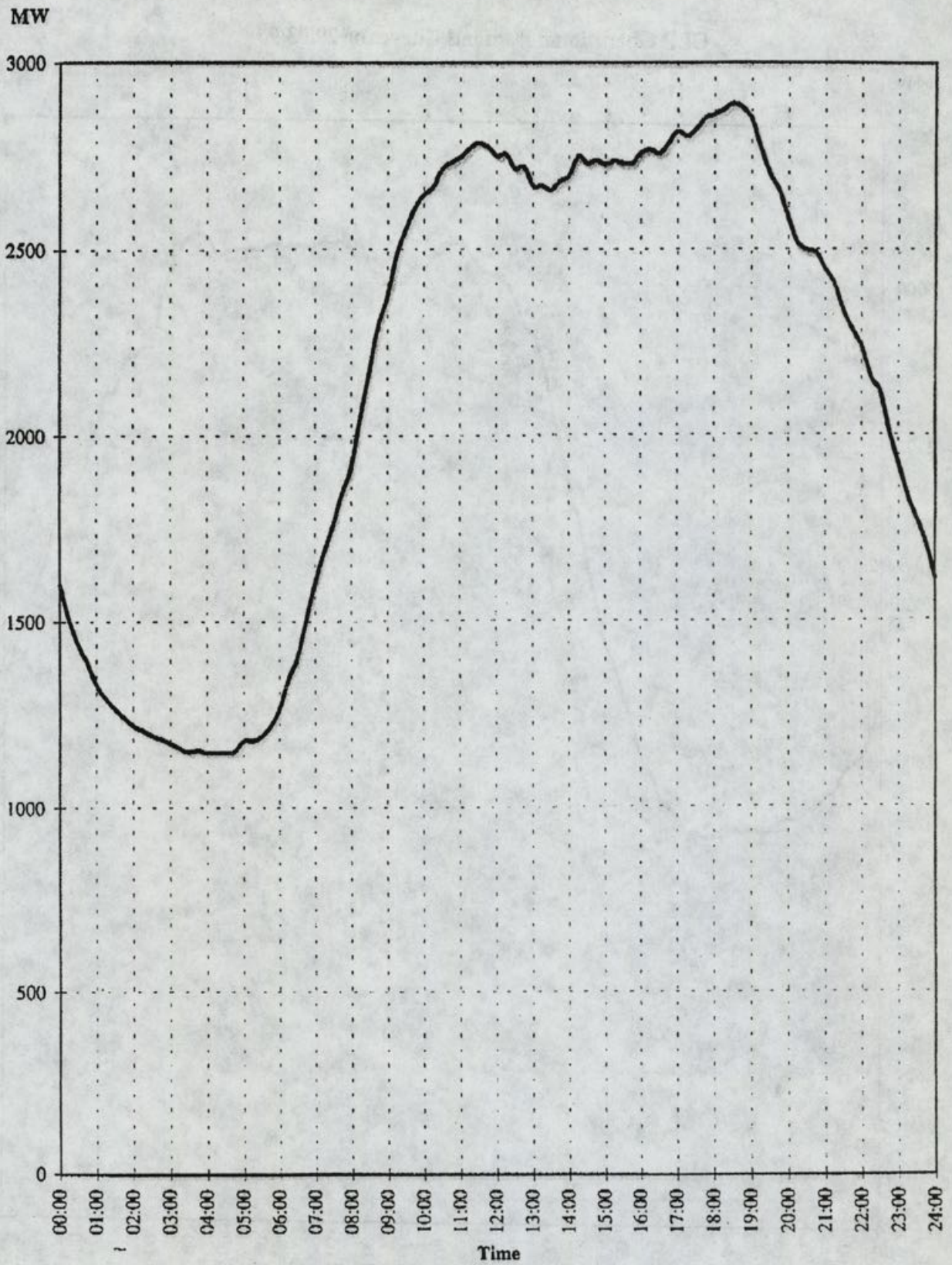
HEC System Demand 20/12/94, Tuesday



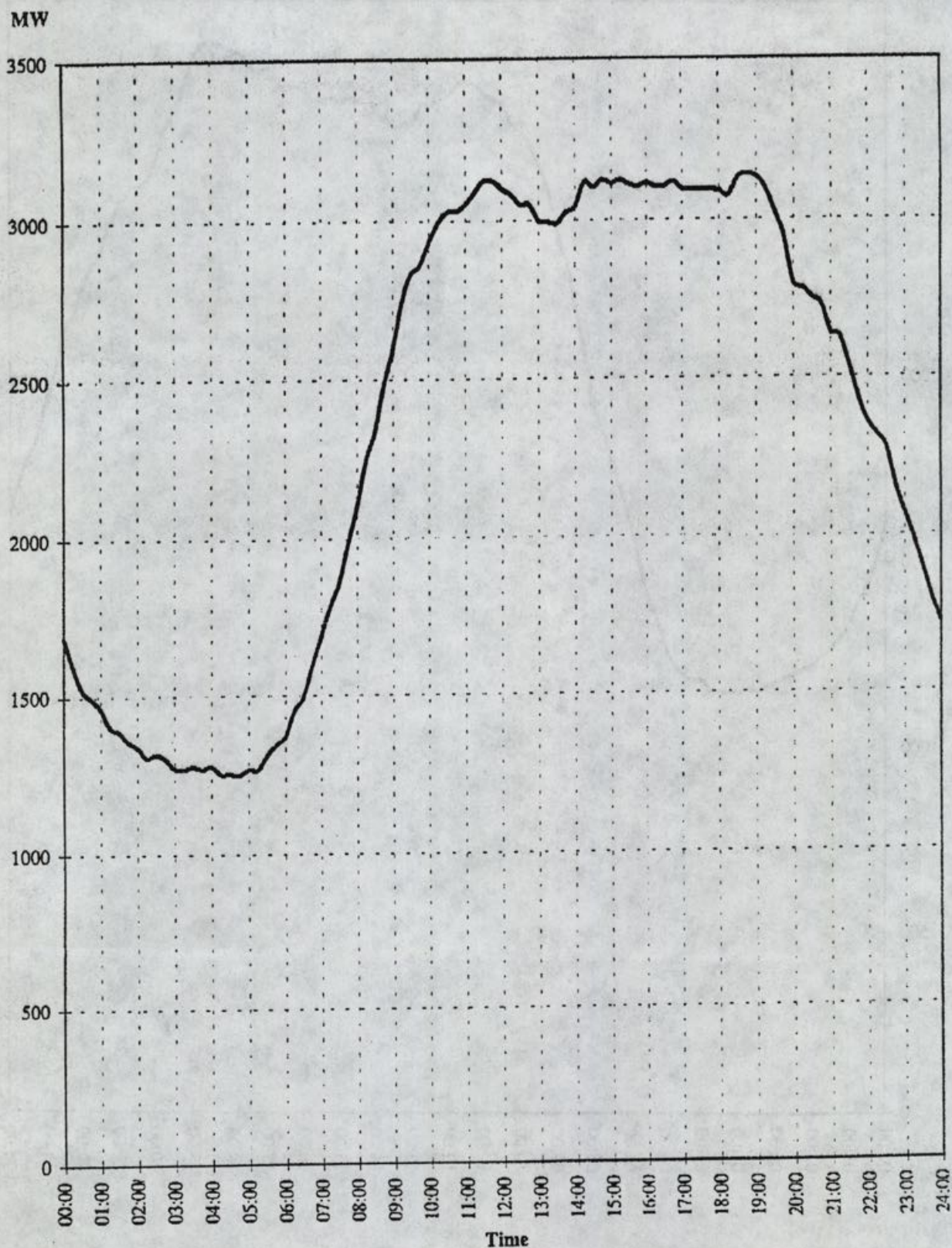
CLP Operational Demand Curve for 25/01/94



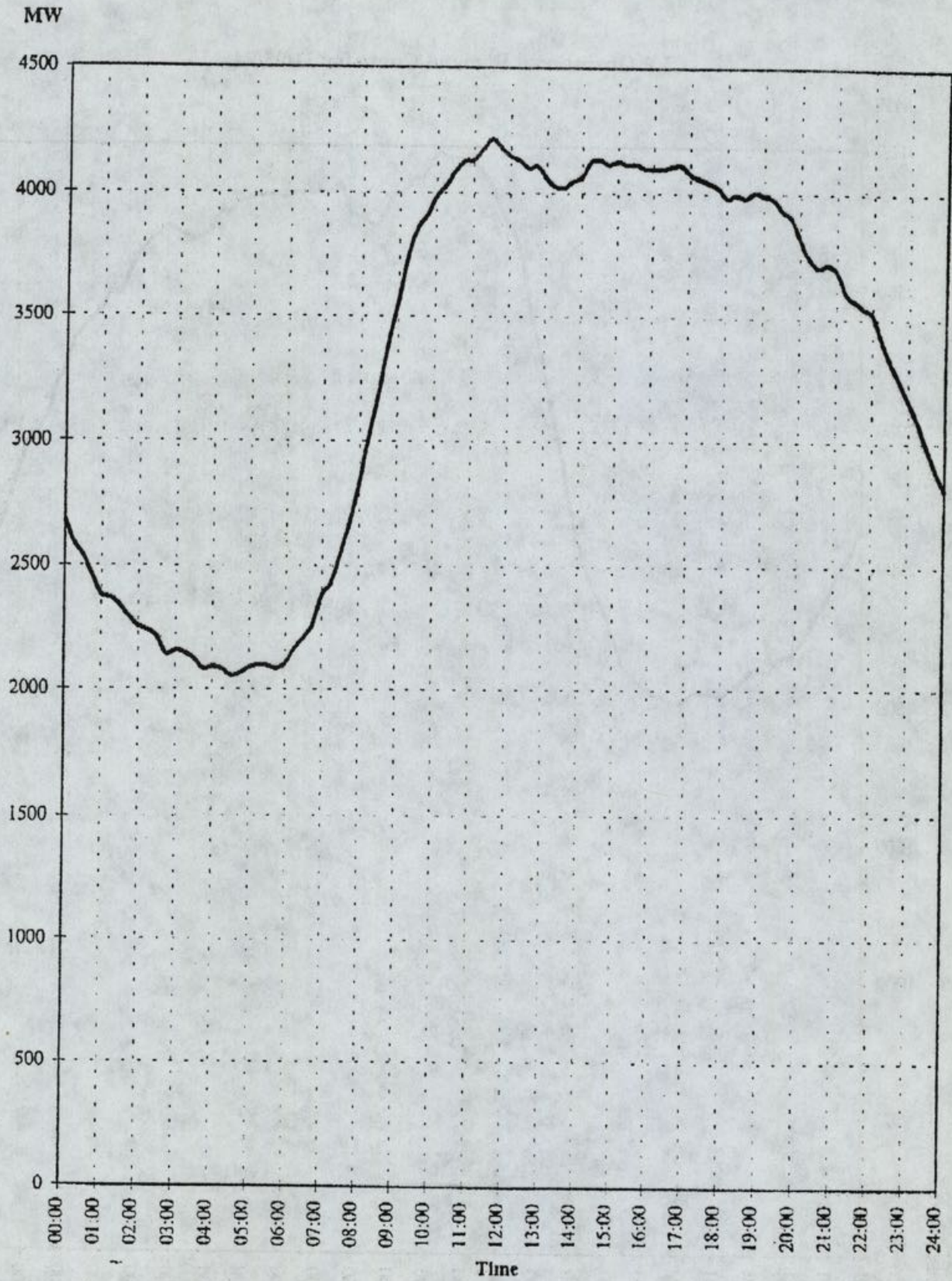
CLP Operational Demand Curve for 22/02/94



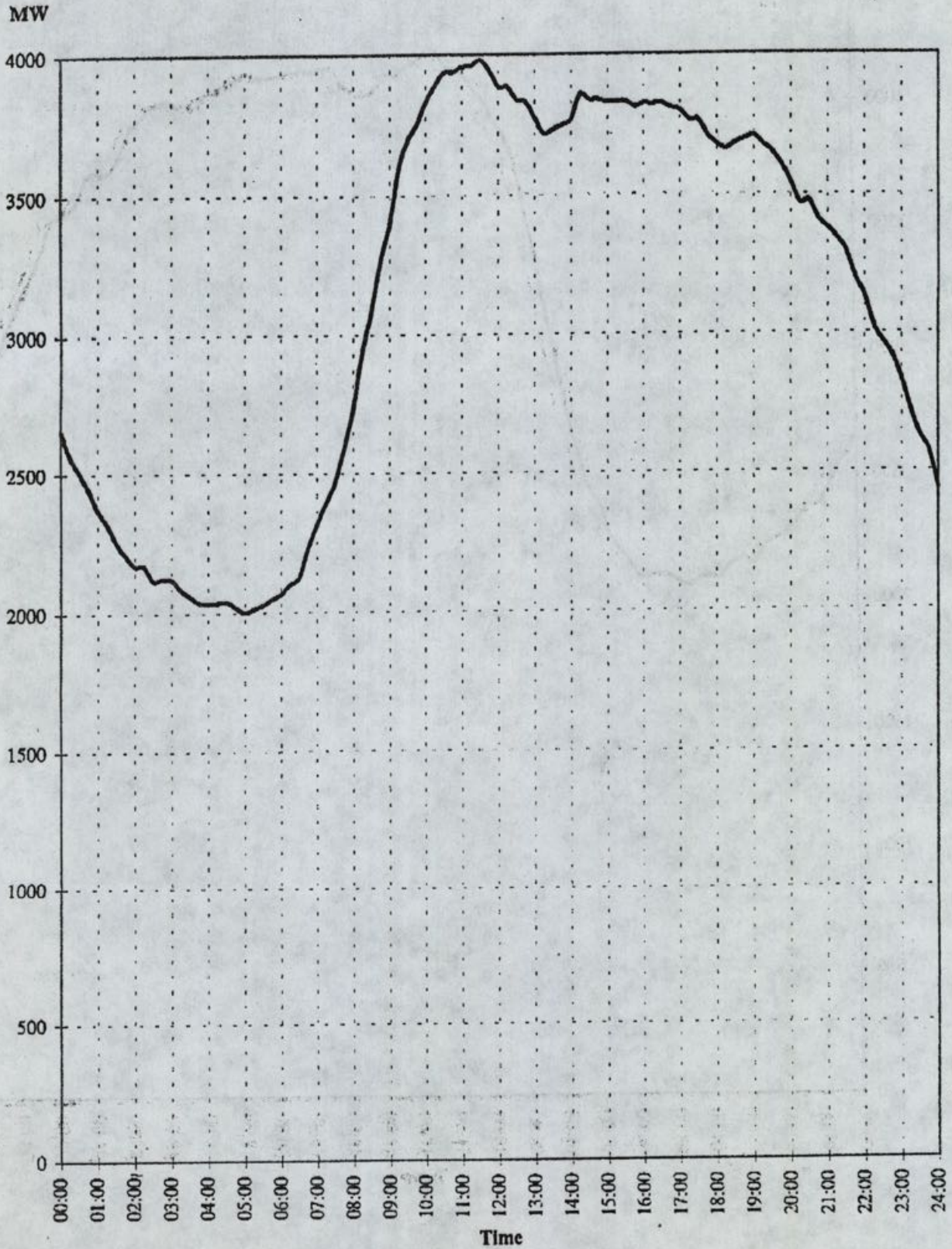
CLP Operational Demand Curve for 29/03/94



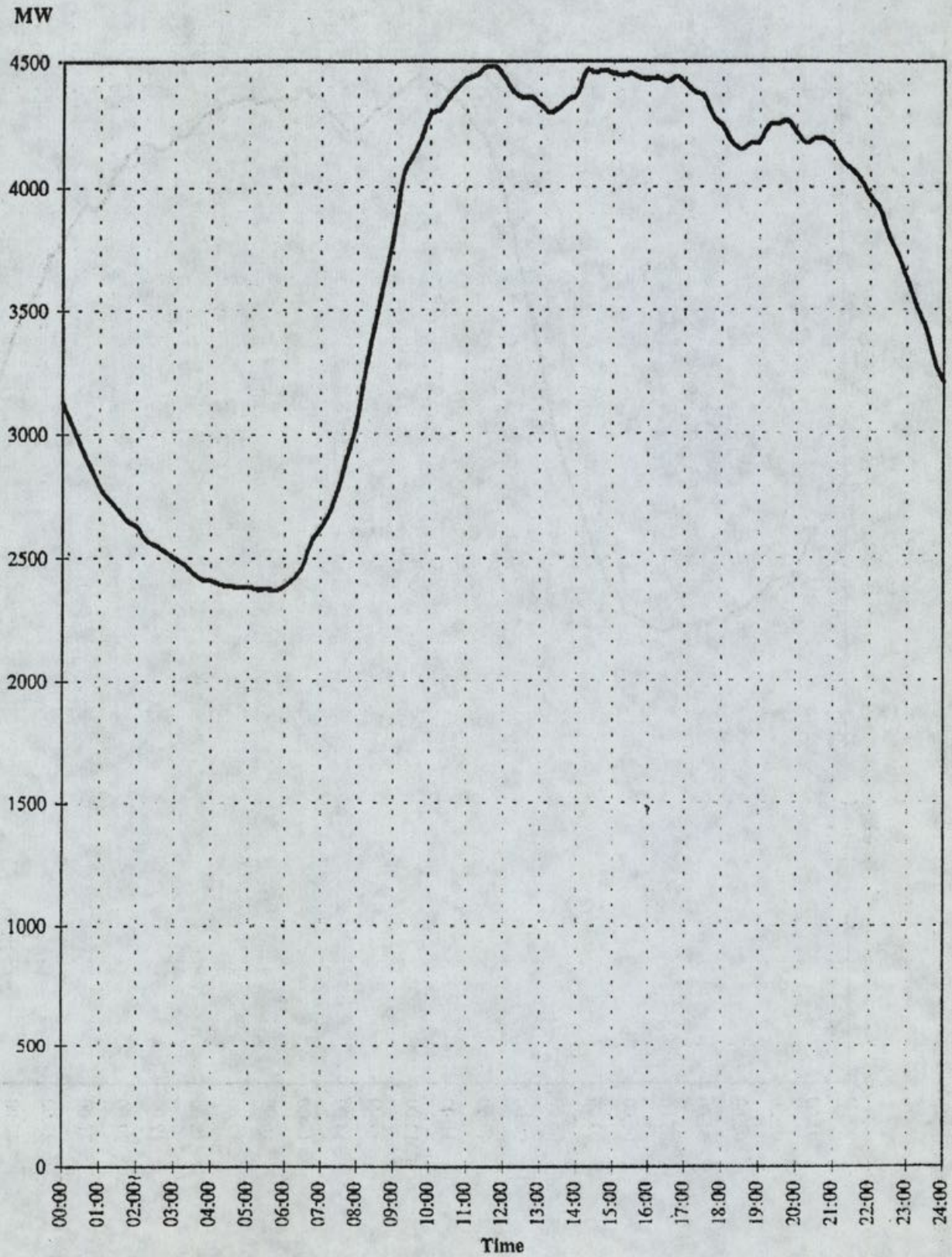
CLP Operational Demand Curve for 26/04/94



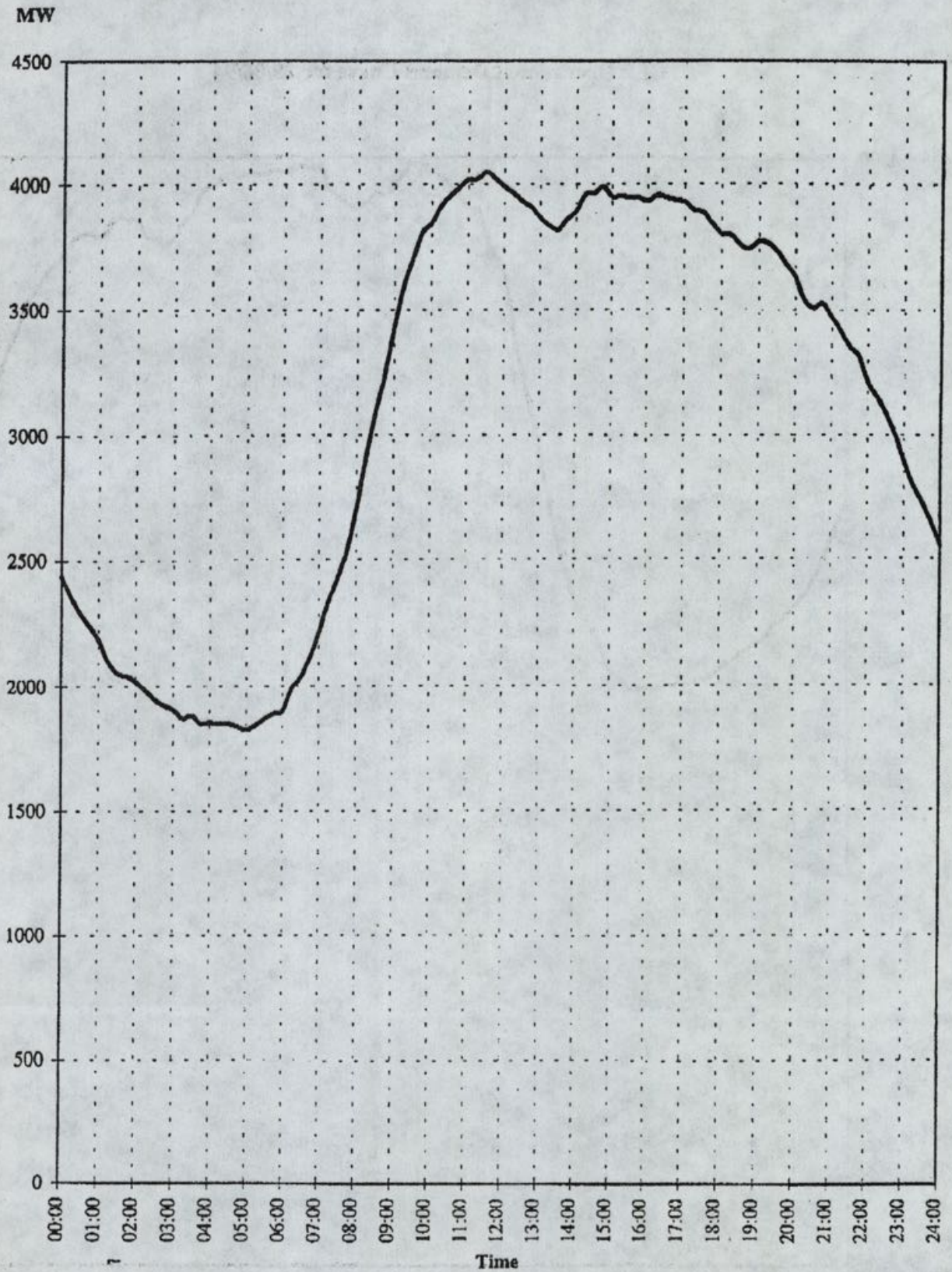
CLP Operational Demand Curve for 31/05/94



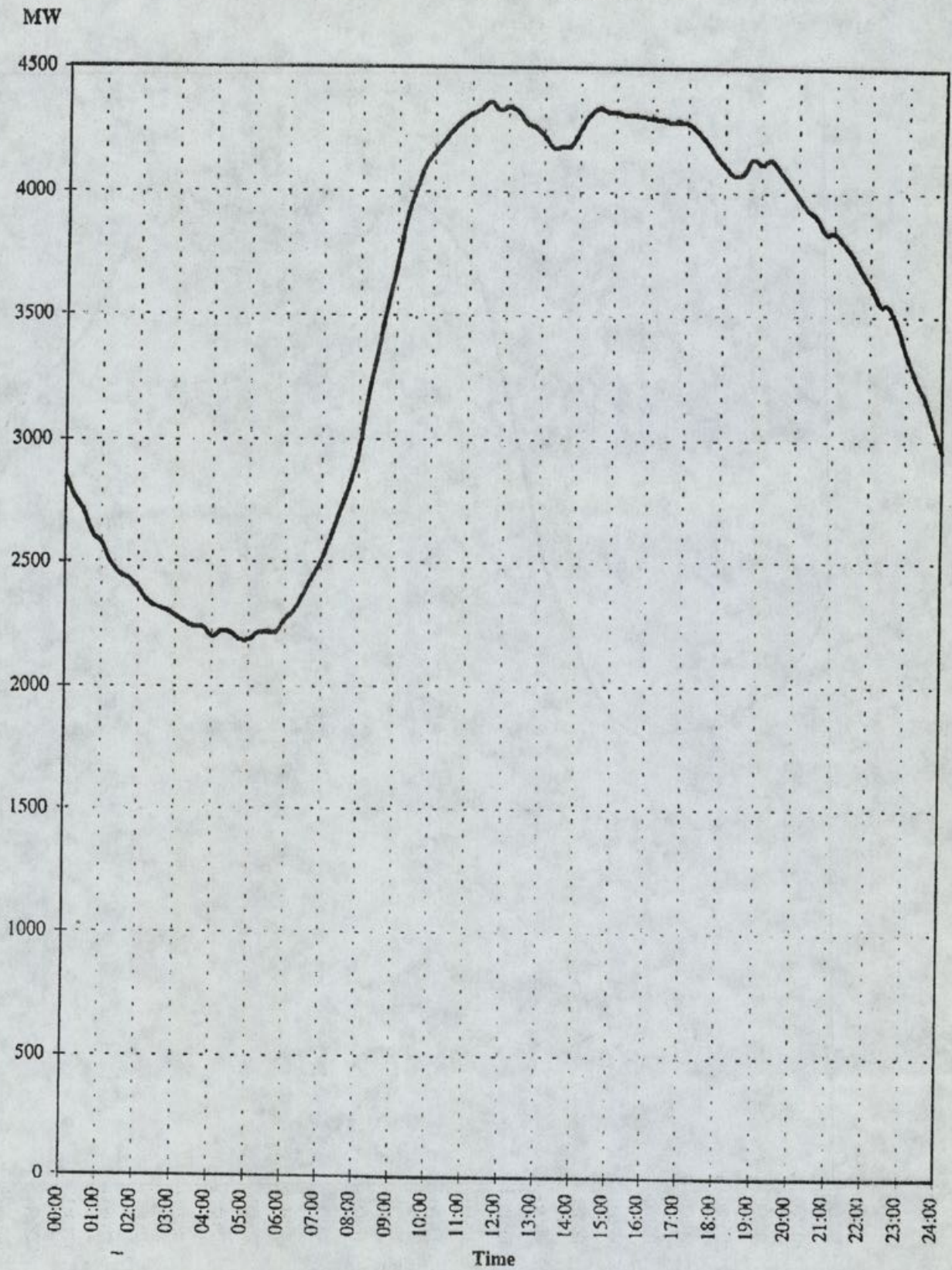
CLP Operational Demand Curve for 28/06/94



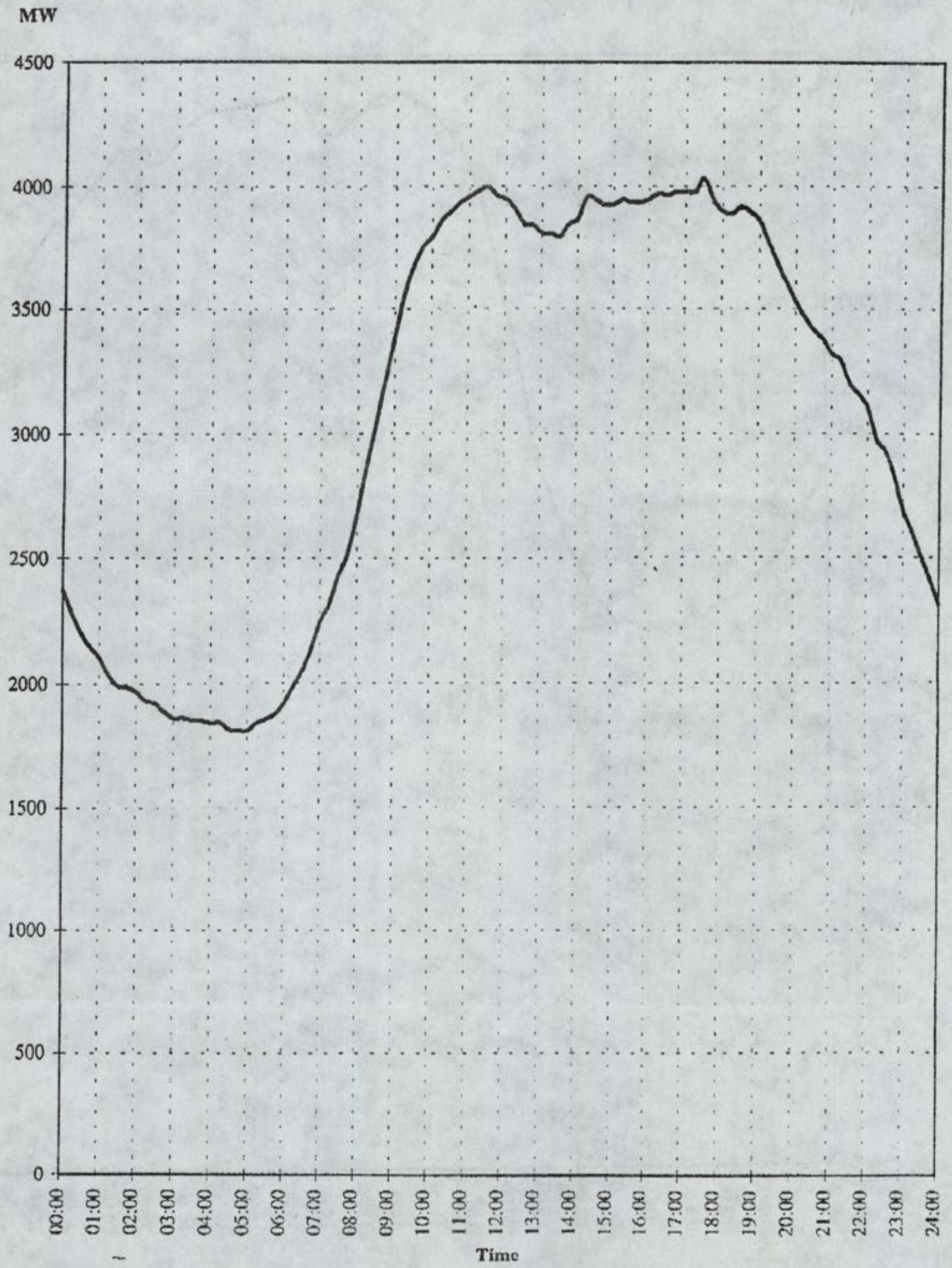
CLP Operational Demand Curve for 26/07/94



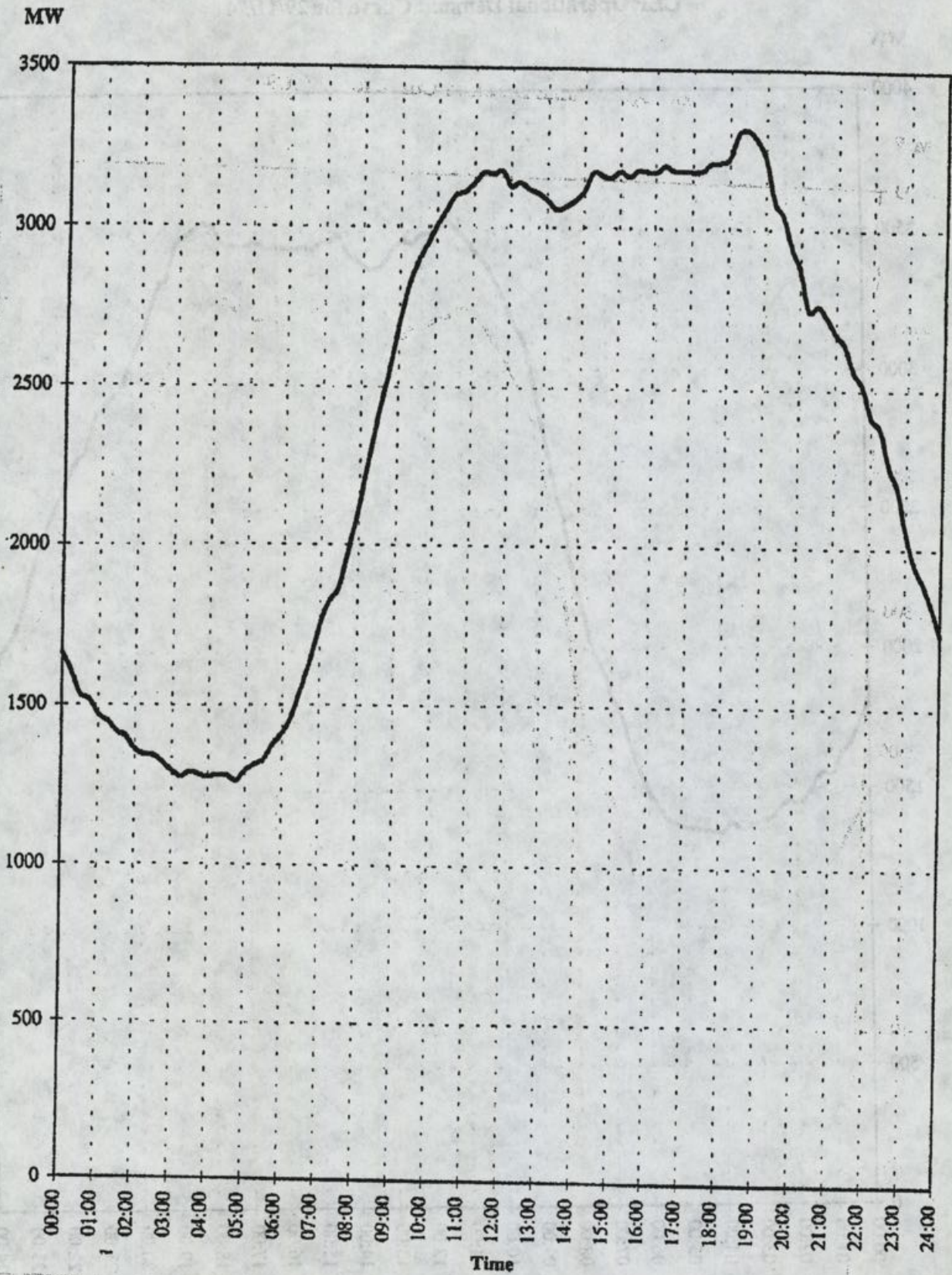
CLP Operational Demand Curve for 30/08/94



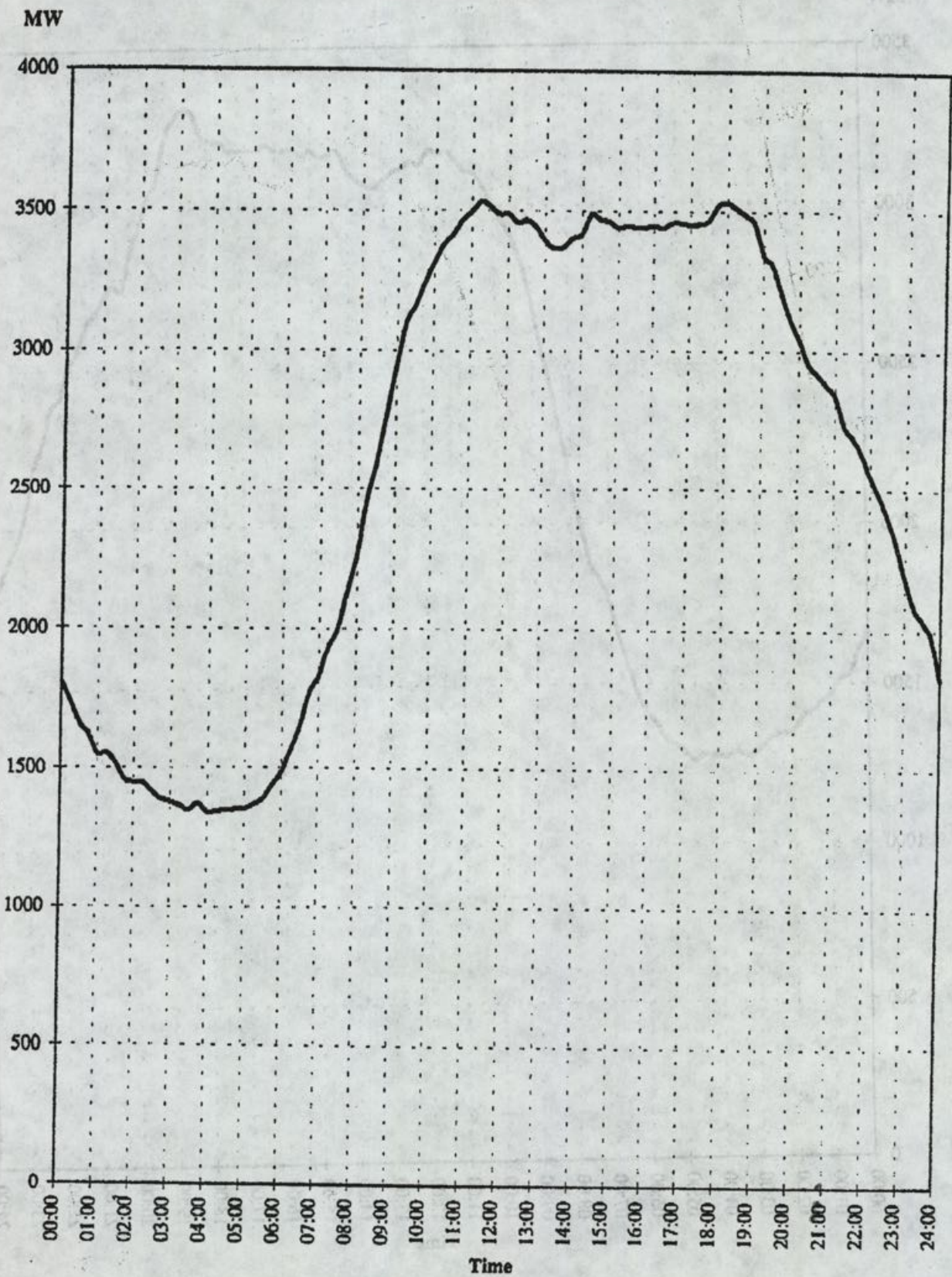
CLP Operational Demand Curve for 27/09/94



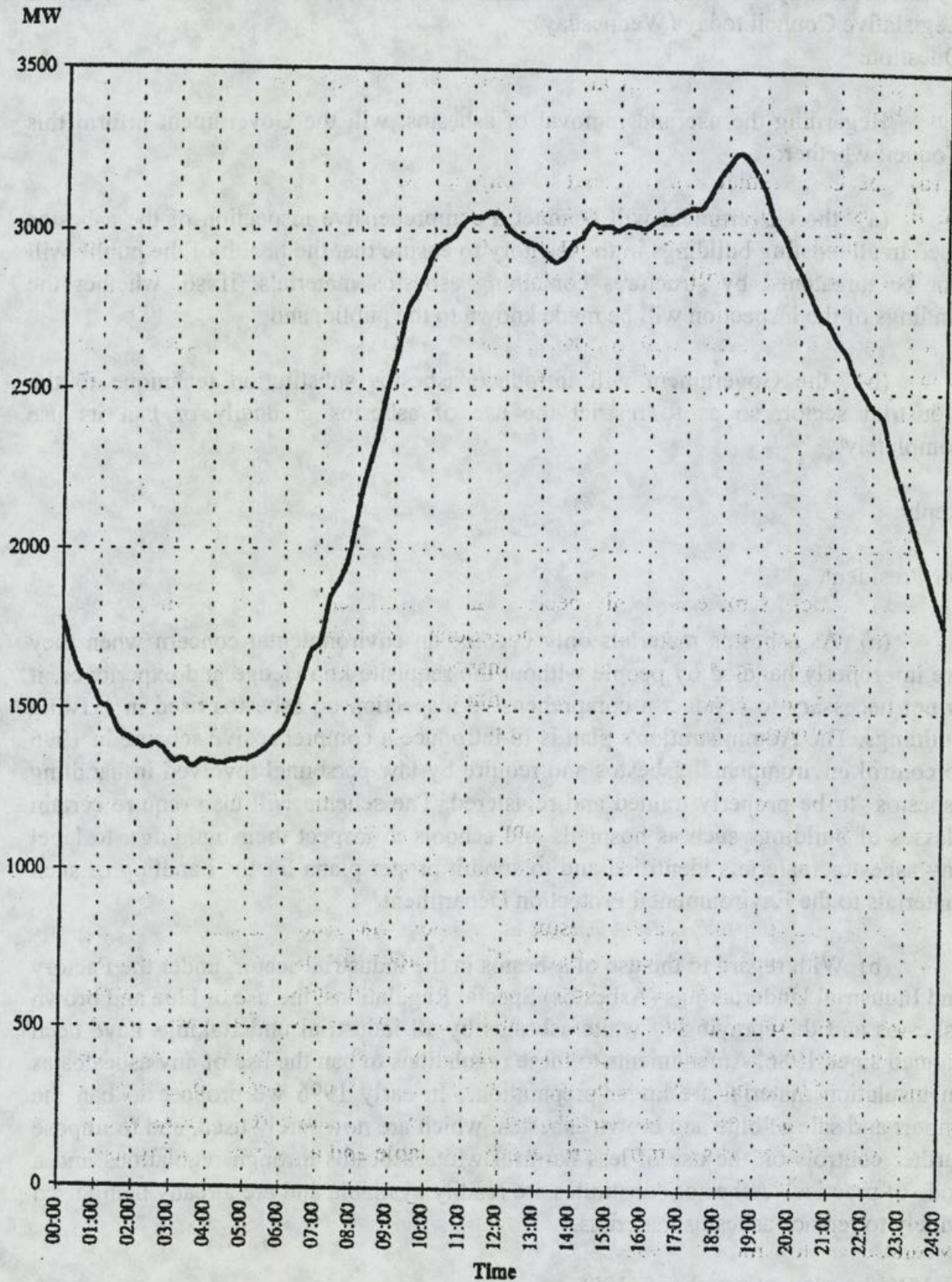
CLP Operational Demand Curve for 25/10/94



CLP Operational Demand Curve for 29/11/94



CLP Operational Demand Curve for 20/12/94



Use and removal of asbestos

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Following is a question by Dr the Hon John Tse Wing-ling and a written reply by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council today (Wednesday):

Question:

Regarding the use and removal of asbestos, will the Government inform this Council whether:

(a) the Government will conduct a comprehensive inspection of the asbestos used in all existing buildings in the territory to ensure that the health of the public will not be threatened by structures containing asbestos materials; if so, whether the findings of the inspection will be made known to the public; and

(b) the Government will introduce asbestos substitution technique to the industrial sector, so as to restrict the use of asbestos gradually or ban its use completely?

Reply:

Mr President,

(a) As asbestos materials only become an environmental concern when they are improperly handled by people without the requisite knowledge and experience, it is not necessary to conduct a comprehensive inspection on asbestos used in existing buildings. The Administration's plan is to introduce a comprehensive scheme in 1996 to control environmental asbestos and require by law personnel involved in handling asbestos to be properly trained and registered. The scheme will also require certain classes of buildings such as hospitals and schools to inspect their buildings, to label any asbestos materials identified and to submit proper plans for the handling of such materials to the Environmental Protection Department.

(b) With regard to the use of asbestos in the industrial sector, under the Factory and Industrial Undertakings (Asbestos) Special Regulations, the use of blue and brown asbestos and the spraying of white asbestos by all industrial undertakings have been banned since 1986. Amendments to these regulations to ban the use of any asbestos as an insulation material are under preparation. In early 1996 we propose to ban the import and sale of blue and brown asbestos, which are now rarely used, and to impose further controls on the use of less harmful white asbestos through regulations and a code of practice. Asbestos substitutes are readily available and are already being used widely to replace asbestos materials.

End/Wednesday, November 8, 1995

Arrested illegal immigrants statistics

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Following is a question by the Hon Zachary Wong Wai-yin and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

Will the government inform this Council:

(a) of the breakdown by sex of the number of illegal immigrants arrested over the past three years; among the arrested female illegals, how many were pregnant women;

(b) whether there are signs that the number of pregnant women arrested is on the rise; if so, what the reasons are; and

(c) what measures can be taken to stop illegal immigrants, particularly pregnant women, from sneaking into the territory?

Reply:

Mr President,

(a) The number of illegal immigrants arrested over the past three years was:

	Total	Male	Female
	-----	-----	-----
1993	37517	28138	9379
1994	31521	22065	9456
1995	19804	12873	6931
(Jan-Sept)			

We do not have separate statistics on pregnant illegal immigrants who were arrested and repatriated immediately, but the number of pregnant illegal immigrants who surrendered to the Immigration Department or resurfaced at hospitals for confinement was:

1993	2014
1994	2019
1995 (Jan to Sept)	1939

(b) The above statistics show that the number of pregnant illegal immigrants in the past two years has remained steady at around 2000 yearly. In the first nine months of 1995, there was an increase of 45%, compared with the corresponding period in 1994. The possibility of acquiring residence earlier in Hong Kong for their babies, or the availability of better medical facilities in Hong Kong could be some of the considerations which prompt II mothers to give birth in Hong Kong. The stricter control now exercised by the Chinese authorities in granting Two-Way Permits to pregnant women may also have contributed to the increase in pregnant women who seek to enter Hong Kong illegally.

(c) To prevent illegal immigrants, particularly pregnant women, from sneaking into Hong Kong, we have stepped up checks and patrols at the border areas. But the most effective solution is to tackle the problem at source. We have conveyed our concern about this problem to the Chinese authorities through various channels. We have also requested the Chinese side to tighten the issue of permits to the border area to pregnant women, and urged them to step up enforcement along the coastal areas near Hong Kong. We understand that the Chinese authorities have indeed stepped up their enforcement efforts, and have successfully intercepted 400 pregnant women from coming to Hong Kong illegally in the first eight months of this year. They have also stopped issuing border permits to pregnant women.

End/Wednesday, November 8, 1995

Proposed diesel-to-petrol scheme

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Following is a question by the Hon Christine Loh and a written reply by the Secretary for Planning, Environment and Lands, Mr Bowen Leung, in the Legislative Council today (Wednesday):

Question:

Recently the Government has proposed a diesel-to-petrol scheme to encourage taxi and public light bus operators to switch from diesel to petrol as soon as possible. The cost figures used for designing the conversion scheme for the taxis and public light buses, which were derived from data collected by the Government and information provided by operators, were not based on real-life figures as there are no petrol public light buses and probably only a few, if any, petrol taxis operating in the territory. In view of this, will the Government inform this Council whether it has any contingency plan in the event that the Government's estimated cost figures turn out to be inaccurate, resulting in the livelihood of taxi and public light bus operators being adversely affected during the 5-year conversion period of the scheme?

Reply:

Mr President,

The cost figures used for designing the conversion scheme for taxis and public light buses are based largely on figures for existing vehicles and these costs are well-known to Transport Department and the trade, i.e. costs for purchase, registration and licensing, and for fuel, maintenance and drivers' wages. Only a small proportion of the costs (maintenance costs for petrol taxis and public light buses) are currently unknown, but we have estimated these using overseas information and local data for the hundreds of thousands of petrol private cars already used in Hong Kong. We therefore believe that we have arrived at realistic estimates of these costs. However, if experience shows that our estimates are materially inaccurate, we will be prepared to reconsider our estimates and, if necessary, consider whether any additional changes to the scheme may be necessary to meet the object that the operators are not worse off economically as a result of the switch.

End/Wednesday, November 8, 1995

Student Health Service

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Following is a question by the Hon David Chu Yu-lin and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

In regard to the Student Health Service, will the Administration inform this Council of:

(a) the measures taken to ensure that the 200 newly recruited physicians can provide thorough medical check-up for the entire student population;

(b) the measure taken to enable outpatient clinics in the territory to cope with the increase in caseload as a result of the cancellation of the old student health scheme; and

(c) the assistance provided to those families who are unable to meet the increase in medical fees under the new Service?

Reply:

(a) A total of 138 staff, comprising 13 doctors, 55 nurses and 70 other supporting staff has been assigned to the Student Health Service, which commenced in September this year for 451,000 primary school students. Another 104 staff will be assigned to the second phase of the Student Health Service for secondary school students in September 1996. Each participating student will be given an annual appointment for a comprehensive health programme designed according to the health needs of the student at various stages of his development. This includes health assessment, individual counselling and health education. Those found to have problems will be referred to the Special Assessment Centre for further assessment and follow-up or to the appropriate specialities for further management. The appointments can also be changed if necessary. The service will be closely monitored. After three months' operation, the Department of Health will carry out an interim review to see what improvements, if any, are needed.

(b) Based on the General Household Survey conducted by the Census and Statistics Department, we estimated that the General Out-patient (GOP) Clinics caseload would be increased by about 3% only. As such, it should not pose any problem for the GOP Clinics. In any event, administrative arrangements are already in place to ensure smooth operation, such as additional discs might be distributed to the students and so on. The Department of Health will closely monitor the utilisation of general out-patient service and make appropriate adjustment whenever necessary in the light of actual experience.

(c) The General Out-patient Service provided by the Department of Health is heavily subsidised. The consultation fee, which includes medication, is \$34. In addition, families on the Comprehensive Social Security Assistance Scheme will have the consultation fee waived.

End/Wednesday, November 8, 1995

Non-smoking areas in restaurants

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Following is a question by Dr the Hon Huang Chen-ya and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

In view of the harmful effect on health caused by passive smoking, will the Government inform this Council whether:

(a) it knows of the number of restaurants which have not set aside non-smoking areas; and

(b) it will introduce legislation requiring restaurants to set aside non-smoking areas in order to safeguard the health of non-smokers ?

Reply:

(a) According to a survey in January-February 1995, 384 (6%) of the 6,558 licensed restaurants in the territory had set aside a no-smoking area and 6,174 (94%) had not.

(b) There is concern among restaurant operators that a requirement to set aside no-smoking areas would result in a loss of business. Given that enforcement would rest with restaurant operators and would be ineffective without their support, we consider that the decision on whether to set aside no-smoking areas should best be left to them to determine. We therefore have no immediate plans to introduce legislation to require restaurants to set aside no-smoking areas, although we will continue to monitor the situation to determine whether it might be appropriate to do so in future.

End/Wednesday, November 8, 1995

Annual Gross Domestic Product growth

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Following is a question by the Hon Andrew Cheng Kar-foo and a written reply by the Secretary for Financial Services, Mr Rafael Hui, in the Legislative Council today (Wednesday):

Question:

In the Medium Range Forecast (MRF) of the 1995-1996 Budget, the assumption on the annual Gross Domestic Product (GDP) growth for 1994-95 to 1998-99 has been set at 5% in real terms. However, the Governor stated recently in his Policy Address that Hong Kong's economic mood was less buoyant than the fundamentals justified. In this regard, will the Government inform this Council whether it will revised downwards the estimated GDP figures in the MRF of the Budget; if so, why revisions are needed and what the extent of such revisions will be; if not, what the Government will do to ensure that our GDP can continue to grow annually by 5% in 1995-96 and 1996-97?

Reply:

The Government's current Medium Range Forecast regarding the trend growth rate in real terms of the GDP over the four financial years up to the year 1998-99 remains at 5% per annum.

Although the recent performance of the Hong Kong economy was not as good as in the past few years, in overall terms the economy still recorded a growth rate in excess of 5% in the first half of this year. The slack consumer spending has retarded overall economic performance. On the other hand, it is noteworthy that exports of both goods and services have continued to show robust growth. The current investment sentiment is also firm. We forecast the GDP to grow by 5% this year.

Looking ahead into the medium term, the external environment supporting Hong Kong's export performance can be expected to be sustained, along with continuing trade liberalisation globally, dynamic growth in the Asia-Pacific region, as well as strong economic development in China. As exports have all along been providing the key impetus to Hong Kong's overall economic growth and income increase, this favourable external setting should be able to underpin a trend GDP growth rate of 5%, which is also within the productive capacity of the economy to cope.

In the short term, it is not unusual for the economy to be faced with certain fluctuations. The medium-term GDP forecast abstracts from these fluctuations and focuses on the trend, in view of its usage primarily for budgetary planning purposes. However, being in itself a forecast rather than an economic growth target, and bearing in mind that the Hong Kong economy is driven predominantly by the private sector rather than by government directives or actions, it is beyond the Government's powers to guarantee or ensure that this particular growth rate will be achieved in all circumstances. Nor is it appropriate to expect that the Government should even attempt to do so. An assessment of the medium-term economic outlook nevertheless suggests that this forecast is a reasonable and prudent one.

End/Wednesday, November 8, 1995

Medical/dental services for civil servants

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Following is a question by Dr the Hon Leong Che-hung and a written reply by the Secretary for Civil Service, Mr Michael Sze, in the Legislative Council today (Wednesday):

Question:

In regard to the provision of medical and dental services for civil servants and their dependants, will the Administration provide this Council with the annual breakdown in respect of the following areas in the past five years:

- (a) the overall expenditure on medical services, and the average cost per case;
 - (b) the overall expenditure on dental services, and the average cost per case;
- and
- (c) the percentage of civil servants, and the actual number, using publicly funded medical and dental services respectively?

Answer:

Mr President,

Like most good employers in Hong Kong, the Government has contracted to provide medical and dental benefits to its employees. This is also available for pensioners and dependants. The Government has chosen to do so through the Department of Health, in respect of general out patient and dental facilities, and through the Hospital Authority in respect of hospitalisation and specialist out patient facilities. The Government dental facilities deal primarily with civil servants, as do the families clinics : there is a limited priority system for Department of Health general out patient clinics. In respect of hospitalisation and specialist clinics, civil servants receive no different medical treatment from any other members of the public - who are all entitled to the same medical assistance - but civil servants get this service at a reduced or nil fee.

We do not have expenditure statistics in respect of civil servants and their dependants alone because pensioners are also covered. The following reply to parts (a) and (b) of the question is thus in respect of civil servants, pensioners, and their eligible dependants. Further, apart from the dental service, it is not possible to give statistics on the actual number of civil servants using medical services, since one individual may seek treatment several times in one year. So the reply to part (c) is necessarily limited.

Expenditure under Head 37 on out-patient medical services for civil servants, pensioners, and their eligible dependants in the past five years is:

	91/92	92/93	93/94	94/95	95/96
	-----	-----	-----	-----	-----
total expenditure(\$M)	80.4	87.9	99.8	119.7	136.2
average expenditure(\$)	79	85	95	112	126

Expenditure under Head 37 on dental services for civil servants, pensioners, and their eligible dependants in the past five years is:

	91/92	92/93	93/94	94/95	95/96
	-----	-----	-----	-----	-----
total expenditure(\$M)	146.1	167.3	192.6	221.7	236.1
average expenditure(\$)	309	355	408	450	469

The figures in respect of the financial year 95/96 are those approved in the Annual Estimates. Salary revision effective from 1.4.95 has not been taken into account.

The cost of in-patient service and specialist service provided by the Hospital Authority for civil servants, pensioners, and their eligible dependants is the same as that for members of the public. This amounts to an average of \$4,808 per private ward bed-day, \$2,770 per public ward bed-day, and \$372 per attendance at specialist out-patient department in the financial year 94/95. According to figures provided by the Hospital Authority, the overall expenditure on civil servants, pensioners and eligible dependants in 94/95 was some \$1 billion. We do not have readily available information on the amount expended in the years preceding 94/95.

In 1993 and 1994 some 150,060 and 150,052 civil servants and pensioners respectively used publicly funded dental services. This represented respectively 67% and 66% of the total number who were eligible. A breakdown of numbers using the service before 1993 is not available.

End/Wednesday, November 8, 1995

Establishment of trading funds

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Following is a question by the Hon Lee Kai-ming and a written reply by the Secretary for the Treasury, Mr Kwong Ki-chi, in the Legislative Council today (Wednesday):

Question:

Regarding the establishment of trading funds to finance the operation of some government departments, will the Government inform this Council:

- (a) which departments have already been operating on a trading fund basis;
- (b) whether there are any changes in the staffing structure and number of posts in such departments; if so, what are the changes; and
- (c) which departments will be likely to change to a trading fund mode of operation?

Reply:

- (a) At present, there are five trading fund departments, namely:

Companies Registry
Land Registry
Sewage Services
Office of the Telecommunications Authority (OFTA)
Post Office

(b) There have been no major changes in the management structure of the Trading Funds. A small number of directorate posts have been created to strengthen the business and financial management capability of these departments.

The total number of posts in each trading fund on the date of its establishment, and on 30 September 1995, are as follows:

Trading Fund	Date of Establishment	No of Posts on Establishment*	No of Posts as at 30.9.95*	% increase
Companies Registry	1.8.93	335(3)	384(2)	14.6
Land Registry	1.8.93	614(2)	780(5)	27.0
Sewage Services	1.4.95	783	819	4.6
OFTA	1.6.95	243	256	5.3
Post Office	1.8.95	5,584	5,602	0.3

* Figures in brackets refer to supernumerary posts.

The relatively large increase in establishment for the Land Registry Trading Fund is mainly to provide staff to cope with the introduction of a new service, namely computerisation of New Territories Land Registers.

(c) We are currently considering whether to convert part of the Electrical and Mechanical Services Department into a trading fund operation.

End/Wednesday, November 8, 1995

Applications for naturalisation as BDTCs

Following is a question by the Hon Emily Lau and a written reply by the Secretary for Security, Mr Peter Lai, in the Legislative Council today (Wednesday):

Question:

As recent reports about the Hong Kong Special Administrative Region passport have aroused public concern over the future freedom to enter or leave the territory, will the Government inform this Council:

(a) of the number of people who have submitted applications for naturalisation as British Dependent Territories citizens in the past three years;

(b) whether there has been a noticeable increase in the number of such applications recently; if so, what the reasons are; and;

(c) whether any channel for appeal will be provided for applicants who miss the deadline for application in March next year?

Reply:

Mr President,

(a) The number of applications for naturalisation/registration as British Dependent Territories citizens in the past 3 years are as follows -

Year	No. of applications
1992	5,207
1993	17,391
1994	17,803
1995 (Jan - Sept)	19,834

(b) The number of applications for naturalisation/registration as BDTCs in the first 3 quarters of 1995 are as follows:

Month in 1995	No. of Applications	Increase/ decrease over same period in 1994
1st Quarter	4,150	-52%
2nd Quarter	6,050	+77%
3rd Quarter	9,634	+31%
	19,834	

The figure of 19,834 represents a 29% increase over the corresponding period (January - September) in 1994.

We do not maintain statistics on the reasons for application, as applications for naturalisation and registration as Hong Kong BDTCs are entirely voluntary. It is possible that the increase might be related to the deadline of 31 March 1996 for naturalisation/registration.

(c) Section 42 of the British Nationality Act 1981 as amended by the Hong Kong (British Nationality) (Amendment) Order 1993 stipulates -

"A person who applies for registration or naturalisation as a British Dependent Territories citizen under any provision of this Act by virtue (wholly or partly) of his having a connection with Hong Kong, may not be naturalised or registered, as the case may be, unless he makes his application on or before 31 March 1996."

There is no provision under the Act to accept applications after 31 March 1996. Nor is there any provision under the Act for appeals by late applicants.

End/Wednesday, November 8, 1995

Tenancies in industrial estates

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Following is a question by Dr the Hon Huang Chen-ya and a written reply by the Secretary for Trade and Industry, Mr Chau Tak-hay, in the Legislative Council today (Wednesday):

Question:

Will the Government inform this Council:

(a) of the nature of business of the companies which have moved out of the industrial estates in the past three years, together with their reasons for moving out; and

(b) how many companies have made enquiries about moving into the industrial estates in the past three years; what are the differences in the nature of business between those which eventually moved in and those which did not, and what are the reasons for the latter group not moving in?

Answer:

The five companies which have vacated their premises in the industrial estates in the past three years were involved in the production of metal products, chemicals and gases, electronics parts and video tapes. They ceased operation because their business was no longer profitable due to changing market conditions.

During the same period, 32 companies seriously inquired or applied for tenancies in the industrial estates. Of these, 24 companies succeeded in their applications and were granted land in the industrial estates. They were involved in a wide variety of products, including building materials, printing and publishing, plastics, pharmaceutical products, food and beverages, and paper products. On the other hand, of the remaining eight companies, two decided not to proceed with application for undisclosed reasons; two applications were rejected for failing selection criteria; and four were approved but did not subsequently materialise for failing to secure financing for their projects. They were involved in building materials, chemicals, paper products, clothing, electroplating, and office consumer products.

End/Wednesday, November 8, 1995

Elimination of discrimination against women

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Following is a question by the Hon Emily Lau and a written reply by the Secretary for Home Affairs, Mr Michael Suen, in the Legislative Council today (Wednesday):

Question:

At the hearing of the United Nations (UN) Human Rights Committee held in Geneva this October, members of the Committee queried why the Convention on the Elimination of All Forms of Discrimination Against Women had not been extended to Hong Kong. In response, the leader of the British delegation indicated that the British Government was contemplating the withdrawal of certain reservations in the Convention, but that the Hong Kong Government preferred the inclusion of those reservations in the Convention upon its extension to the territory. In this regard, will the Government inform this Council:

(a) how long has it started discussions with the British Government on the matter;

(b) whether any problems have occurred in the course of the discussions, if so, what those problems are;

(c) when the two sides will reach a conclusion on the matter; and

(d) whether it will accept the UN Human Rights Committee's recommendation that the Convention should be extended to the territory without any reservations?

Reply:

Mr President,

(a) In June 1994, the Hong Kong Government announced its decision to seek extension of the Convention on the Elimination of Discrimination Against Women (CEDAW) to Hong Kong, subject to consultation with the Chinese side. In January 1995, a list of draft reservations that should be extended to Hong Kong were drawn up and passed on to the UK Government for discussion.

(b) Discussions with the UK Government had to be held in abeyance since the UK Government had started a review on their own list of reservations under CEDAW.

(c) In September this year, the UK Government informed us of its intention to withdraw some, but not all, of its current reservations in respect of CEDAW. We are considering the impact of the withdrawal of such reservations on Hong Kong to see if it is necessary to revise the list of reservations that should be extended to Hong Kong. Thereafter, we will seek to agree with the UK Government on the list of reservations. Our target is to complete the discussions with the UK Government as soon as possible, preferably before the end of this year. Once an agreement has been reached, we shall consult the Chinese Government through the Joint Liaison Group.

(d) The UN Human Rights Committee published a report on 3 November 1995 following its examination in October of the UK Government's report on Hong Kong under the International Covenant on Civil and Political Rights. No recommendation was made by the Committee on CEDAW.

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