DAILY INFORMATION BULLETIN

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Statement by Governor on Lau

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The Governor, the Rt Hon Christopher Patten, today (Tuesday) had a meeting with Mr Martin Lee, Mr Yeung Sum, Mr Lau Chin-shek and Mr Anthony Cheung of the Democratic Party concerning Mr Lau's possible resignation from the Legislative Council.

After the meeting, Mr Patten said: "I am pleased that Mr Lau has postponed a decision on whether to resign from the Legislative Council until he has had a chance to consider the revised package which the Government hopes to table in LegCo soon, after discussion with the Labour Advisory Board (LAB).

"Mr Lau is a man of integrity with huge experience of labour issues. LegCo and Hong Kong would be the poorer if he were to leave the Legislative Council.

"It is a pity that this matter has aroused such strong emotions. What it shows above all is that the Legislative Council is not a rubber stamp; if it was, these difficulties would not have arisen.

"Because the Administration lost the vote, we are now returning to the LAB with a revised package, which, we hope, reflects the views of the Council. After consultation with the LAB, we hope to be able to return to LegCo with a proposal which will be acceptable to the Council.

"We believe that the LAB has played a valuable role over the years in promoting good labour relations in Hong Kong. We are keen to preserve its useful experience and role. At the end of the day we hope we will be able to put in place arrangements of which both the Legislative Council and the LAB approve."

End/Tuesday, December 20, 1994

External investment in HK's manufacturing industries

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The continuing increase in external investment in Hong Kong's manufacturing industries in the past 10 years reflects the attractiveness of Hong Kong as a manufacturing base, the Director-General of Industry, Miss Denise Yue, said.

Miss Yue was commenting on the findings of the latest survey conducted by the Industry Department on external investment in Hong Kong's manufacturing industries at a press conference today (Tuesday).

According to the latest survey findings, she said the total value of external investment at the end of 1993 was $40.9 billion, 10 per cent higher than the amount identified in last year's survey.

It was three-and-a-half times the figure of $11.4 billion in 1984 when the first survey on external investment in Hong Kong's manufacturing industries was conducted.

"The increase was largely accounted for by the rise in stock of fixed assets which, valued at $28.1 billion, was 16 per cent higher than in 1992," Miss Yue said.

Japan continued to be the leading source of external investment, accounting for $13.9 billion or 34 per cent of the total.

The United States of America was the second largest investor with investment totalling $11.5 billion (28 per cent of the total), followed by China with investment valued at $4.4 billion (11 per cent of the total).

In 1993, investment from Japan grew by 12 per cent over the last year, that from the United States by 14 per cent and that from China by seven per cent.

The electronics, textiles and clothing, electrical products and chemical products industries accounted for about 60 per cent of total external investment last year.

"A major aim of Industry Department's inward investment promotion programme is to encourage external investors to introduce to Hong Kong, through their investments, new or improved products, advanced technologies, innovative designs and management skills to help Hong Kong's manufacturing industries remain competitive in the world market," Miss Yue said.

The survey found that 161 of the 433 respondent companies (37 per cent) with external investment were joint ventures with local partners, a form of co-operation which provides a good opportunity for technology transfer.

A total of 170 respondent companies (39 per cent) have staff posted from the country of external investment to Hong Kong to provide guidance or assistance in areas such as company management, operation, and research and development.

Two hundred and fifty-four companies (59 per cent) reported that they received assistance from external investors through licensing arrangements, engineering and technical assistance, or acquisition of machinery and equipment.

Also 115 companies (27 per cent) reported that external investors had been involved in the transfer of advanced technology.

"There is no doubt that external investment obviously plays an important role in upgrading the production capabilities and the quality of products made in Hong Kong," Miss Yue said.

On the overall manufacturing investment environment in Hong Kong, Miss Yue said 59 per cent of the respondent companies considered it to be favourable. About 31 per cent also had plans to expand their production in one or more aspects.

Most companies commented favourably on Hong Kong's banking and financial facilities, infrastructure, regional location, government economic policy as well as the availability of managerial, professional and technical skills.

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More overseas companies set up operations in HK

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Overseas companies have set up 1,846 regional operations in Hong Kong, representing an increase of 26 per cent over the number identified last year, a recent survey by the Industry Department reveals.

Speaking at a press conference today (Tuesday) the Director-General of Industry, Miss Denise Yue, said: "Hong Kong's strategic location and excellent external communication links have enabled it to become a major regional representation centre.

"This role has assumed increasing importance with the rapid economic development in the Asia Pacific region in recent years."

The 1994 Survey of Regional Representation by Overseas Companies in Hong Kong, the fifth such survey conducted by the Industry Department since 1990, identified 714 regional headquarters and 1,132 regional offices in Hong Kong as at June 1, 1994.

In last year's survey, 624 regional headquarters and 844 regional offices of overseas companies were identified in Hong Kong.

The United States had the largest number of regional headquarters in Hong Kong, with 178 companies, followed by Japan (91 companies) and the United Kingdom (91 companies).

The major lines of business of the regional headquarters included wholesale, retail, import and export activities, followed by manufacturing, finance and banking, and transport and related services.

As regards regional offices, the survey showed that Japan had the largest number, with a total of 257. The United States (193 companies) was next, followed by the United Kingdom (107 companies), China (69 companies) and Germany (52 companies).

Trading was the most common economic activity pursued by regional offices in Hong Kong, followed by finance and banking, and manufacturing.

When asked to give views on the suitability of Hong Kong as a regional headquarters or regional office, the majority of the respondents considered Hong Kong's banking and financial facilities as well as infrastructure as the most important and favourable factors.

Other favourable factors identified were the Government's economic policy and the availability of managerial, professional and technical skills.

About 71 per cent of the respondents considered that, compared with last year, the overall favourability of Hong Kong as a regional representation centre had improved or had been satisfactory.

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Manufacturing industries maintain high level of productivity

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Hong Kong's manufacturing industries have maintained a high level of productivity, the Director-General of Industry, Miss Denise Yue, said today (Tuesday).

Speaking at a press conference introducing the report "1994 Hong Kong's Manufacturing Industries" published by the Industry Department, Miss Yue said the dollar value of gross output of Hong Kong's manufacturing industries increased at an average annual rate of about 10 per cent from $132.3 billion in 1982 to $331.2 billion in 1992. The value added per person increased more than three-fold during the same period.

"These are remarkable achievements by any measure, and they underline the continued importance of the manufacturing sector to the economic development of Hong Kong.

"But the contribution of the manufacturing sector is really much more if one takes into account the Hong Kong- owned factories in Southern China and the businesses that they have brought to Hong Kong's manufacturing-support services sector," Miss Yue siad.

Miss Yue also pointed out that Hong Kong's manufacturing sector was well known for its flexibility and ability to adapt to frequent changes.

"Over the years, there has been a continuous shift from the assembly of relatively labour-intensive and simple products to the manufacture of more technology- intensive and sophisticated products with a higher value- added content," she said.

The report also contains the findings of a survey of Hong Kong's manufacturing environment conducted by the Industry Department between June and September this year.

Questionnaires were sent to 2,467 sampled establishments in 14 selected manufacturing industries. A total of 1,931 valid returns were received.

When asked to comment on the favourability of 12 given investment factors, more than half of the respondents considered seven of those factors to be favourable.

They were: Hong Kong's infrastructure, banking and financial facilities, regional location, labour productivity, availability of managerial skills, availability of professional/technical skills and support of linkage industries.

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Young drug abusers on increase

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There has been an increase in the number of young drug abusers first reported to the Government in the third quarter of this year over the same period in 1993, according to quarterly statistics released today (Tuesday).

When compared with the first and second quarters of this year, the figure shows a slower growth.

The Action Committee Against Narcotics was told of the latest drug situation at its meeting this afternoon.

According to the statistics of the Government's Central Registry of Drug Abuse (CRDA) tabled at the meeting, the number of recorded drug abusers under the age of 21 increased by 35.7 per cent to 1,425, compared with 1,050 in the same period last year.

Of that number, 606 were reported to the CRDA for the first time, a rise of 16.8 per cent from 519 in the third quarter in 1993.

However, the corresponding increases for the first and second quarters of this year were 21.1 per cent and 28.6 per cent respectively.

The number of persons of all ages reported to the CRDA in the third quarter was 7,720, an increase of 11.7 per cent against 6,912 in the same quarter in 1993. The number of newly reported persons of all ages stood at 1,141, up by 9.3 per cent from 1,044.

The major types of drugs abused during the period for all ages and the under-21 group alike were heroin, cannabis and cough medicines.

On the treatment side, in the third quarter of this year, a total of 4,478 persons were admitted to the major treatment programmes run by the Society for the Aid and Rehabilitation of Drug Abusers, the Department of Health and the Correctional Services Department (CSD).

Of them, 1,190 or 26.6 per cent were first-time admissions.

These represented an increase in total admissions by 19.1 per cent and an increase in new admissions by 34.3 per cent.

The increase in new admissions in the third quarter was highest in the under-21 group in the Methadone Treatment Programme, from 94 to 215, up by 128.7 per cent, followed by CSD's Drug Addiction Treatment Centres, from 112 to 156, a rise of 39.3 per cent.

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Positive action to tackle underage drinking

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The following is issued on behalf of the Commission on Youth:

Positive action was required to tackle the problem of underage drinking, the Chairman of the Commission on Youth, Mr Eric Li Ka-cheung, said at a press conference to announce the initial recommendations of a working group on underage drinking today (Tuesday).

Mr Li, who is also the chairman of the working group, said people generally accepted that controlled consumption of alcohol was not a bad thing.

"Nevertheless, the fact that low doses of a substance might not be harmful under certain circumstances never implies that higher doses of these substances are safe," he cautioned.

He pointed out that overseas studies had indicated that adolescents could make some very unhealthy choices whilst under the influence of alcohol.

"These can include undue risk-taking and drug-taking.

"And accidents are often the result of heavy drinking," he added.

Highlighting the working group's recommendations on the problem, Mr Li stressed that public education was crucial to changing young people's attitude towards drinking and enhancing their knowledge of the dangers of alcohol abuse.

He said: "The working group believes that young people develop attitudes towards alcohol and drinking from what their peers and parents do and say.

"It is therefore important that parents should develop the right attitudes towards drinking and remind young people of the dangers of alcohol abuse and the harmful effects of drinking."

Acknowledging the fact that very little research had been done on the extent of underage drinking in Hong Kong, Mr Li said it was essential to conduct a comprehensive study on the subject before any specific measures could be done to tackle the problem.

He said: "Without an accurate assessment of the extent of the problem and a thorough understanding of the reasons behind, it is difficult for us to develop effective mechanisms to cultivate a correct attitude towards drinking and alcohol abuse."

The working group found it unjustifiable at this stage to recommend a total ban on sale of alcohol to minors before a comprehensive data- collecting exercise was conducted.

Nevertheless, the working group proposed that the sale of alcohol in sports grounds, schools and places frequented by young people be prohibited.

"This will send a positive message to young people that underage drinking is not socially welcomed nor is it an acceptable behaviour," he said

Furthermore, Mr Li noted that the mass media also had a significant influence on young people.

He said the working group found merits in updating the Codes of Practice on Advertising Standards and examining whether such standards should be tightened.

As to movie and television scenes that often depict drinking as mature behaviour or a means to relieve depression, Mr Li said TV stations and movie producers should be reminded that such depiction would have a direct impact on young people's attitude towards drinking.

The Commission on Youth first examined the problem of underage drinking upon the release of the Report on the Lan Kwai Fong Disaster in February 1993.

A working group was subsequently set up in December the same year to examine the medical, social and psychological aspects of underage drinking.

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Community project to promote care for elderly

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The Education Department's Community Youth Club will hold a ceremony to launch a territory-wide "Caring for the Elderly" project tomorrow (Wednesday).

The community service project - involving 7,600 club members and benefiting 3,800 elderly people in 19 districts - will help to promote young people's love and care for the elderly.

A spokesman for the department said the aim of the project was to encourage club members to take active part in community service and to offer them opportunities to show respect and concern for the elderly.

"Students taking part in the project will undergo a training programme to learn about the psychology of the old people. Subsequent home visits and gatherings will be arranged to provide students with an opportunity to meet their elderly friends and to establish friendship.

"Those who complete the project with devotion and merit will receive an award," he said.

The Assistant Director of Education (Chief Inspector of Schools), Mr Ho Che-leung and the Chairman of the Law's Foundation, Mr Raymond Law, will officiate at the launching ceremony at the concert hall, Tuen Mun Town Hall.

On Friday (December 23), North District Community Youth Club members will organise a vegetarian banquet for 200 elderly people in the district. Gifts and lucky money will also be distributed to them.

The project is organised by the Community Youth Club of the Education Department and sponsored by the Law's Foundation.

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Attention News Editors:

The opening ceremony of the "Caring for the Elderly" community service project will be held at the concert hall, Tuen Mun Town Hall, at 2.45 pm tomorrow (Wednesday).

The vegetarian banquet at which gifts and lucky money will be distributed to 200 elderly people will begin at 1.15 pm on Friday (December 23) at Wan Chuen Vegetarian, Ping Che Road, Tai Po Tin Tsuen, Fanling, New Territories.

You are invited to send representatives to cover both events.

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95 pollution cases in November

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A total of 95 convictions were made in the courts last month for breaching anti-pollution legislation enforced by the Environmental Protection Department.

Among them, 37 were convictions made under the Air Pollution Control Ordinance (APCO), 30 under the Water Pollution Control Ordinance (WPCO), 26 under the Noise Control Ordinance (NCO), one under the Dumping at Sea Act 1974 (Overseas Territories) Order 1975 (DASO) and one under the Waste Disposal (Livestock Waste) Regulations (WD(LW)R) of the Waste Disposal Ordinance (WDO).

The fines ranged from $2,000 to $100,000. Two cases were fined $100,000. Fairwood Fast Food Ltd was fined $100,000 for discharging polluting matter in the Western Buffer Water Control Zone. It was the fifth time the company was convicted under the Water Pollution Control Ordinance.

Meanwhile, the owner of a bean curd factory named Lee Fat was also fined $100,000 upon its fourth conviction for discharging polluting matter in the Deep Bay Water Control Zone.

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Note To Editors :

Enquiries on specific cases can be directed to the following Principal Environmental Protection Officers :

APCO	:	Mr Franklin CHUNG	Tel : 594 6200
NCO	:	Mr Steven HO	Tel : 594 6500
DASO	:	Mr Paul HOLMES	Tel : 755 3553
WDO	:	Mr H Y WONG	Tel : 685 1134
WPCO	: Cases 65-69	Mr H Y WONG	Tel : 685 1134
	Cases 70-75	Mr Steven HO	Tel : 594 6500
	Case 76	Mr Anthony KWAN	Tel : 755 1671
	Cases 77-86	Mr C W TSE	Tel : 417 6074
	Cases 87-94	Mr Murray LUO	Tel : 411 9601

However, enquiries on general issues should be directed to the department's Media Relations Unit.

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Article on marriage and divorce trends in Hong Kong

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Men and women in Hong Kong showed a tendency towards delayed marriage during the period 1981 to 1993, as indicated by a continuous increase in the median age at first marriage.

This finding is set out in a special review article entitled "Marriage and Divorce Trends in Hong Kong 1981-1993" of the November issue of the Hong Kong Monthly Digest of Statistics.

The number of re-marriages was on the rise, echoing an increasing number of divorces in the same period.

The article examines the marital condition of the population, marriage rates and certain socio-economic characteristics of brides and bridegrooms in the past 13 years. The number of divorces and divorce rates are also discussed.

The Hong Kong Monthly Digest of Statistics is now on sale at $48 a copy. Purchases can be made at the Government Publications Centre, General Post Office Building, ground floor, Connaught Place, Hong Kong and at the Publications Section of the Census and Statistics Department on 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

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369 Vietnamese return home voluntarily

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A group of 369 Vietnamese migrants today (Tuesday) returned to Vietnam under the Voluntary Repatriation Programme of the United Nations High Commissioner for Refugees.

Comprising 128 men, 103 women, 69 boys and 69 girls, they were the 223rd batch to go back under the programme.

The group brought to 5,581 the total number of Vietnamese migrants who had returned voluntarily this year, and to 44,194 the total number of returnees since the programme started in March 1989.

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Hong Kong Monetary Authority tender results

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Tender date	20 Dec 94	20 Dec 94
Paper on offer	EF bills	EF bills
Issue number	Q451	H480
Amount applied	HK$3,780 MN	HK$1,510 MN
Amount allotted	HK$1,500 MN	HK$800 MN
Average yield accepted	5.70 PCT	6.30 PCT
Highest yield accepted	5.73 PCT	6.35 PCT
Pro rata ratio	About 27 PCT	About 70 PCT
Average tender yield	5.73 PCT	6.35 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning December 26, 1994

Tender date	28 Dec 94	28 Dec 94
Paper on offer	EF bills	EF bills
Issue number	Q452	Y497
Issue date	29 Dec 94	29 Dec 94
Maturity date	29 Mar 95	27 Dec 95
Tenor	90 Days	363 Days
Amount on offer	$1,500+300 MN	HK$500+150 MN

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Hong Kong Monetary Authority money market operations

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	$ million	Time (hours)	Cumulative change ($million)
Opening balance in the account	4,055	0930	-2,350
Closing balance in the account	2,483	1000	-2,100
Change attributable to :		1100	-2,100
Money market activity	-2,098	1200	-2,098
LAF today	+526	1500	-2,098
		1600	-2,098

LAF rate 3.75% bid/5.75% offer TWI 121.8 *-0.1* 20.12.94

Hong Kong Monetary Authority

EF bills

Terms	Yield
1 week	5.12
1 month	5.34
3 months	5.66
6 months	6.21
12 months	6.89

EF notes/Hong Kong Government bonds

Term	Issue	Coupon	Price	Yield
17 months	2605	6.35	98.82	7.37
23 months	2611	6.90	98.80	7.73
28 months	3704	6.15	96.54	7.93
34 months	3710	7.25	98.39	8.04
57 months	5909	7.45	99.47	8.45

Total turnover of bills and bonds - 16,442 million

Closed December 20, 1994

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