



DAILY INFORMATION BULLETIN

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\$8 million-pledge to aid earthquake victims in China

The Government has today (Monday) proposed to the Disaster Relief Fund Advisory Committee that the fund should in principle pledge \$8 million as a contribution to the earthquake victims in Lijiang and Zhongdian counties in Yunnan, China.

Funds will be allocated to relief organisations with sound track records whose proposed relief programme meets the approval of the advisory committee.

So far, three relief agents - Hong Kong Red Cross, Oxfam Hong Kong and Medecins Sans Frontieres - have indicated their interest in applying for funds for relief programmes in the affected areas. They are in the process of gathering information and formulating their action plans.

A government spokesman expressed hopes that the pledge would stimulate further responses from the public towards the plight of the people affected by the earthquake.

Enquiries can be made to the Secretary to the Disaster Relief Fund Advisory Committee in Room 553, Central Government Offices, East Wing or on 2810 3503.

The advisory committee is chaired by the Chief Secretary. Other members are Dr Raymond Ch'ien, Mr J D McGregor, Mr Cheung Hon-chung, Mr Lau Chin-shek, the Secretary for Health and Welfare and the Secretary for the Treasury.

End

Gross domestic product for third quarter of 1995

In the third quarter of 1995, Hong Kong's gross domestic product (GDP) grew by 4.2% in real terms over the same quarter in 1994, according to the preliminary estimates released today (Monday) by the Census and Statistics Department.

Taking the first three quarters of 1995 together, real GDP grew by an average of 5.1% over the same period in 1994. However, on a year-on-year comparison, the GDP growth rate showed some moderation over these three quarters.

Re-exports continued to show a strong growth in the third quarter, rising by 14.8% in real terms over a year earlier. On the other hand, the growth rate of domestic exports moderated to only 1.3% in real terms over the same period.

Exports of services continued to record a rapid increase, by 11.4% in real terms over a year earlier. This was supported by strong growth in both tourism and trade-related services.

Imports of goods and services increased by 13.5% and 5.3% respectively in real terms in the third quarter over a year earlier.

On investment spending, gross domestic fixed capital formation picked up further to a 11.2% increase in real terms in the third quarter. Within this component, construction output in the public sector recorded an increase of 12.3% following a sharp rise of 58.8% in the second quarter. However, private sector building output, as the largest component of overall construction output, remained weak.

As a result, overall expenditure on construction registered a decrease of 2.2% in real terms in the third quarter over a year earlier. On the other hand, expenditure on machinery and equipment surged further in the third quarter, rising by 35.4% in real terms over a year earlier.

The accumulation in stocks moderated during the third quarter of 1995, following a sharp rise in the second quarter.

Consumer spending remained slack. Private consumption expenditure grew by only 1.1% in real terms in the third quarter over a year earlier. The slow-down was mainly concentrated in the spending on motor vehicles and other durable goods, while spending on consumer non-durables and on services recorded increases of 2.7% and 3.7% respectively in real terms.

Government consumption expenditure increased by 5.9% in real terms in the third quarter over a year earlier, as compared to an increase of only 2.6% in the second quarter.

The implicit price deflator of the GDP rose by 4.1% in the third quarter of 1995 over a year earlier. Excluding the effect due to terms of trade, the domestic demand deflator increased by 6.1% over the same period. This rate of change was relatively small when compared with those recorded for the earlier quarters, mainly due to the moderation in consumer prices, property prices, and prices for imports of machinery and equipment.

Revised estimates of GDP and its components for earlier periods are also released today. The real growth rate of GDP for 1993 was revised from 6.4% to 6.1% while that for 1994 remained unchanged at 5.4%. The growth rates for the first two quarters of 1995 were revised upwards from 5.9% to 6.1%, and from 4.8% to 5.2%.

This revision was mainly attributable to revised data on the price deflator for some construction output components and the inclusion of more up-to-date data on government consumption expenditure for these two quarters.

Summaries of the latest GDP figures are presented in Tables 1 and 2.

More detailed quarterly estimates of GDP from the first quarter of 1993 to the third quarter of 1995 are published in a report entitled "Quarterly Estimates of Gross Domestic Product 3rd Quarter 1995".

This bilingual report is now on sale at \$8 per copy at the Government Publications Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway, Hong Kong and the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

Telephone enquiries may be directed to the National Income Branch (1) of the Census and Statistics Department on 2582 5077.

Table 1 Expenditure-based GDP Estimates
first quarter of 1993 to third quarter of 1995

<u>Year/quarter</u>	<u>GDP at Current Market Prices</u>		<u>GDP at Constant (1990) Market Prices</u>	
	<u>HK\$ Mn</u>	<u>% change over same period of the preceding year</u>	<u>HK\$ Mn</u>	<u>% change over same period of the preceding year</u>
1993	897,463	15.2	690,223	6.1
1994	1,016,567	13.3	727,505	5.4
1993				
Q1	202,104	16.1	159,239	6.2
Q2	214,970	15.4	164,982	6.1
Q3	237,646	14.8	182,784	6.3
Q4	242,743	14.5	183,218	5.8
1994				
Q1	232,076	14.8	168,491	5.8
Q2	244,653	13.8	173,794	5.3
Q3	267,304	12.5	192,442	5.3
Q4	272,536	12.3	192,778	5.2
1995				
Q1	259,712	11.9	178,781	6.1
Q2	266,851	9.1	182,817	5.2
Q3	289,813	8.4	200,438	4.2

Table 2 Expenditure-based GDP Estimates
Year-on-year growth rates, first quarter of 1994 to third quarter of 1995

<u>Expenditure Components of GDP</u>	<u>% change over same period of the preceding year</u>															
	<u>At current market prices</u>					<u>At constant (1990) market prices</u>										
	<u>1994</u>					<u>1995</u>			<u>1994</u>					<u>1995</u>		
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Annual</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Annual</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>
Private consumption expenditure	18.1	15.0	13.8	13.3	14.9	10.8	11.9	10.5	11.3	5.9	4.6	3.9	6.3	1.2	1.8	1.1
Government consumption expenditure	16.2	14.7	14.4	13.7	14.7	14.1	12.7	15.3	4.9	3.4	2.9	2.8	3.5	3.7	2.6	5.9
Gross domestic fixed capital formation	26.0	17.0	12.7	29.9	21.2	6.1	13.6	11.4	15.8	9.2	6.9	24.6	14.0	4.5	8.2	11.2
of which : Construction	23.5	17.0	20.0	21.6	20.7	3.4	19.0	6.7	17.3	11.5	18.4	17.4	16.3	-2.1	10.5	-2.2
Machinery and equipment	15.4	9.2	4.8	46.9	18.8	31.0	32.3	44.2	11.9	8.4	3.1	41.2	15.9	21.8	15.8	35.4
Total exports of goods	8.6	11.3	12.6	14.1	11.8	20.1	16.7	15.3	7.7	11.3	10.8	11.3	10.4	17.6	12.7	12.2
Imports of goods	9.8	15.8	17.4	22.3	16.6	27.5	21.5	18.9	8.3	15.1	14.7	17.1	14.0	21.7	13.6	13.5
Exports of services	14.4	9.9	11.5	16.7	13.1	16.9	19.6	19.5	7.9	3.4	4.7	9.0	6.3	8.4	11.2	11.4
Imports of services	15.7	13.4	15.7	18.6	15.8	17.7	17.0	14.8	9.6	6.0	6.8	8.1	7.6	6.4	6.0	5.3
Gross Domestic Product	14.8	13.8	12.5	12.3	13.3	11.9	9.1	8.4	5.8	5.3	5.3	5.2	5.4	6.1	5.2	4.2

Consultations on anti-circumvention investigation

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Hong Kong will be holding informal bilateral consultations with the European Commission (EC) of the European Union (EU) on February 6 and 7 in Brussels concerning the initiation of anti-circumvention investigation by the EC on imports of 3.5-inch microdisks originating in Hong Kong and eight other suppliers, the Trade Department announced today (Monday).

"Hong Kong Government considers the EU's anti-circumvention action inconsistent with the principles of the General Agreement on Tariffs and Trade (GATT) and the World Trade Organisation (WTO)," the department's Assistant Director-General, Miss Emma Lau, said.

"We hope to take the opportunity of the informal bilateral consultations to express our principled objections to the EU's anti-circumvention action and to seek clarification on the commission's legal and factual bases for initiating the anti-circumvention proceedings against Hong Kong."

She said in exchanges with the EC, Hong Kong noted that there were divergent views between Hong Kong and the EC on the question of whether the Commission's anti-circumvention investigation pursuant to Article 13 of the EU's Anti-Dumping Regulation on imports of 3.5-inch microdisks originating, inter alia, in Hong Kong was consistent with the EU's international obligation.

"The Hong Kong therefore sees the need to hold informal bilateral consultations with the EC with a view to reaching a mutually satisfactory solution to the matter," Miss Lau added.

The Hong Kong delegation attending the informal bilateral consultations will be led by Miss Lau and members will comprise officials from the Trade Department and the Hong Kong Economic and Trade Office in Brussels.

Acting upon a complaint lodged by the Committee of European Diskette Manufacturers (DISKMA), the EC formally announced on October 20, last year the initiation of an anti-circumvention investigation on the alleged circumvention of the EC's anti-dumping duties imposed on 3.5-inch microdisks originating in Taiwan and the People's Republic of China (PRC) by imports of 3.5-inch microdisks originating in Hong Kong and eight other countries.

Twenty-four Hong Kong companies have been alleged as practising circumvention. Should circumvention be established, the higher anti-dumping duties of either Taiwan or the PRC will be extended to those companies found guilty of circumvention.

The Hong Kong Government lodged its strong principled objection to the EU's anti-circumvention action and requested immediate termination of the case through a Note Verbale to the EC on November 22 last year.

End

Good response to report on language proficiency

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The Education Commission is pleased with the clear public support to its draft Report No 6 on language proficiency which was released last December for public consultation until the end of January 1996.

Speaking to the media after a meeting of the commission today (Monday), the chairman of the commission, Prof Rosie Young, said more than 130 written submissions had been received and over 20 briefings had been held for school councils, teachers, school heads, parents, District Board members, employers, professional organisations and media executives.

"There was wide support for the main thrust of the report, many respondents gave useful suggestions on individual recommendations. The commission plans to submit the final report to the Administration by early March taking into account views of the community collected during the consultation exercise," she said.

The commission also agreed to combine the studies on educational standards and school funding to form the basis of its next consultation document. "As quality improvement in school education and school funding reform complement each other, and the issues are inter-related, the commission considered it appropriate to look at the two issues together to develop a comprehensive framework for quality improvements in schools," she said.

"It is intended that a draft document on Education Commission Report No 7 (ECR7) will be prepared for an extensive public consultation to be conducted before the end of this year. The consultation document and the public response will shape the final ECR7," she said.

End

Over 9,000 agreements lodged with Land Registry in January

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A total of 9,153 sale and purchase agreements for building units, which include both residential and non-residential properties, were lodged with the Land Registry in January 1996.

The figure represented a decrease of 13.8 per cent from that of December 1995, but a 36 per cent increase when compared with the same month in 1995.

The total consideration of these agreements is \$22.75 billion, down 14.8 per cent and up 33.2 per cent as compared with the amounts for December 1995 and January 1995 respectively.

The figures are contained in the monthly statistics released today (Monday) by the Land Registry on deeds relating to property transactions received for registration in the Urban and New Territories Land Registries last month. Relevant statistics for January and December 1995 were provided for comparison.

Figures on sale and purchase agreements received for the past 12 months and the year-on-year rate of change were also released.

The statistics generally relate to land transactions executed up to four weeks prior to their submission for registration, as there is usually a time lag between the execution of deeds and their lodgement for registration.

End

Marine Department renews agreement with seven societies

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The Marine Department today (Monday) renewed its agreement with seven classification societies to delegate them with the powers of statutory surveys and certifications for the Hong Kong Shipping Register.

Speaking at the agreement-signing ceremony, the Director of Marine, Mr Ian Dale, said the new agreement was based on the current International Maritime Organisation model agreement with modifications to suit Hong Kong's circumstances.

"The new agreement provides a clear foundation for a contractual relationship between the Marine Department and the classification societies in ensuring the safety standards of Hong Kong registered ships," he said.

Under the agreement, the seven classification societies are delegated by the Marine Department to carry out surveys and certifications of ships on the Hong Kong register. The agreements are valid for five years.

The Hong Kong Shipping Register, administered by the Marine Department, was established in December 1990.

The seven classification societies entered an agreement with the Marine Department are American Bureau of Shipping, Bureau Veritas, China Classification Society, Det Norske Veritas, Germanischer Lloyd, Lloyd's Register of Shipping and Nippon Kaiji Kyokai.

At today's ceremony, each society was presented with a CD-ROM which contains all relevant Hong Kong Shipping Ordinances and Regulations.

The CD-ROM, produced by the Marine Department in-house, is one of the department's initiatives to make use of new innovations in technology to enhance its efficiency. The department will update the CD-ROM from time to time.

End

Tender for 12th issue of Two-year Exchange Fund Notes

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The Hong Kong Monetary Authority announced today (Monday) that the tender for the 12th issue of Two-year Exchange Fund Notes will be held on Monday, February 12, 1996 for settlement on Tuesday, February 13, 1996.

Similar to the previous issue, an amount of HK\$500 million Two-year Notes will be on offer. In addition to that, another HK\$100 million will be held as reserve by the Hong Kong Monetary Authority for supply to Market Makers in the secondary market. The Notes will mature on February 13, 1998 and will carry interest at the rate of 5.16% per annum payable semi-annually in arrears.

Members of the public who wish to tender for the Notes may do so through any of the Market Makers or Recognised Dealers on the published list which can be obtained from the Hong Kong Monetary Authority, 30th floor, 3 Garden Road, Hong Kong (or telephone 2878 8150). Each tender must be for an amount of HK\$50,000 or integral multiples thereof.

Tender information for the 12th issue of Two-year Exchange Fund Notes is as follows -

Issue Number	: 2802
Tender Date and Time	: Monday, February 12, 1996, 9.30 am to 10.30 am
Issue and Settlement Date	: Tuesday, February 13, 1996
Amount on Offer	: HK\$500 million plus an additional HK\$100 million as reserve stock for the Monetary Authority
Maturity	: Two years
Maturity Date	: February 13, 1998
Interest Rate	: 5.16% per annum payable semi-annually in arrears
Interest Payment Dates	: 13 Aug 1996, 13 Feb 1997, 13 Aug 1997, 13 Feb 1998
Tender Amount	: Each tender must be for an amount of HK\$50,000 or integral multiples thereof. Members of the public who wish to tender for the Notes may approach Market Makers or Recognised Dealers on the published list
Other details	: Please see Information Memorandum published or approach Market Makers or Recognised Dealers

End

First local marine traffic control station opens

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The opening of the Ma Wan Marine Traffic Control Station at Gemini Point underlines the Marine Department's commitment to safe and efficient marine transport in Hong Kong, the Director of Marine, Mr Ian Dale, said today (Monday).

Speaking at the opening ceremony of the station, the first of a series marine traffic control stations, Mr Dale said the new facility at Gemini Point was just one in a large programme of marine traffic management initiatives to enhance the territory's vessel traffic services into the next century.

The control station, operated round the clock, is equipped with radar, a full communication capability to the main Vessel Traffic Control Centre in Sheung Wan and a control launch under station's direct command.

"With this facility we are able to provide to the masters and coxswains of vessels transiting the busy and hazardous tidal conditions at Ma Wan with a greatly improved level of safety," Mr Dale said.

The Marine Department established in 1989 the Vessel Traffic System (VTS) which enables comprehensive radar coverage of the movements of larger vessels over most of Hong Kong waters.

In localised traffic conflict areas where river trade vessels and ferries converge with ocean-going ships, there is a need to supplement the VTS radar coverage with the ability to segregate smaller vessels from ocean ships.

This is achieved through local control stations backed up with a dedicated control boat. The first example of which is the Ma Wan Marine Traffic Control Station.

The department has plans for similar facilities to be established at Kwai Chung, Green Island and Mirs Bay over the next few years.

"Along with other initiatives at Ma Wan such as improved real time access to tidal information and the installation of a system of traffic lights, this control station is aimed at providing, with adequate margins of safety, more scope for movements of larger vessels around Ma Wan than was previously possible," Mr Dale said.

Mr Dale said his department had increasingly looked to advances in technology to improve the monitoring of ship movements and enable rapid responses to potential problem situations.

He pointed out that a number of factors had forged the Marine Department's strategy for maintaining the safety and efficiency of the port.

These included the demands of ever increasing cargo and passenger loads, developments around the harbour, increasing construction traffic and the growth of ports in China which must use Hong Kong waterways as access to their facilities, he said.

The station was jointly opened by a Legislative Councillor, Mr Albert Chan Wai-yip, and Mr Dale.

End

HMS Plover to fire 21-gun salute

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To mark the anniversary of Her Majesty Queen Elizabeth II's accession to the throne, the Royal Navy will fire a 21-gun salute from HMS Plover at precisely 12 noon tomorrow (Tuesday) as she sails through Victoria Harbour.

When HMS Tamar moved from Prince of Wales Barracks to Stonecutters Island in 1993, gun salutes were fired from a site on the south shore of the island. However, the site was considered unsatisfactory because it was invisible to the public and it has since been developed because of preparatory work for the new naval base for the PLA Navy.

New saluting cannons have, therefore, been brought from the UK so that gun salutes can be fired from a seagoing warship in full view of much of the city.

End

Water storage figure

Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 79.8 per cent of capacity or 467.467 million cubic metres.

This time last year the reservoirs contained 409.551 million cubic metres of water, representing 69.9 per cent of capacity.

End

Hong Kong Monetary Authority money market operations

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,244	0930	+255
Closing balance in the account	2,775	1000	+259
Change attributable to :		1100	+259
Money market activity	+251	1200	+259
LAF today	+280	1500	+259
		1600	+251

LAF rate 4.00% bid/6.00% offer TWI 123.7 *-0.1* 5.2.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.08	2 years	2711	5.60	100.80	5.18
1 month	5.11	3 years	3901	5.57	100.64	5.40
3 months	5.14	5 years	5012	6.38	102.30	5.91
6 months	5.11	7 years	7211	6.82	103.70	6.24
12 months	5.10	5 years	M502	7.30	104.80	6.21

Total turnover of EF bills and notes - \$18,174 million

Closed February 5, 1996

End