



DAILY INFORMATION BULLETIN

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

Wednesday, April 26, 1995

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Chief Secretary talks with top European leaders

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The Chief Secretary, Mrs Anson Chan, continued her top-level discussions with European leaders today (Wednesday) when she met the Dutch Prime Minister, Mr Wim Kok, in the Hague.

The meeting lasted half an hour and covered a range of topics, including bilateral trade, investment and a planned visit by Mr Kok to China later in the year which was also likely to take in Hong Kong. Mrs Chan said she and the Governor would welcome a visit by Mr Kok.

The Prime Minister noted that the Netherlands was the fourth largest external investor in Hong Kong's manufacturing industries and a significant investor among the European nations. As a result, there was a shared interest in ensuring that Hong Kong's present systems were maintained and that it continued to be a major international business centre well beyond 1997.

Mrs Chan also had a fruitful exchange of views with the Belgian Prime Minister, Mr Jean-Luc Dehaene, at a meeting in Brussels yesterday.

Mr Dehaene showed a great deal of interest in both Hong Kong and China and raised a number of points such as Hong Kong's infrastructure development, relations with China and the current levels of emigration from Hong Kong.

The Chief Secretary extended an invitation to Mr Dehaene to visit Hong Kong when this could be fitted into his schedule.

At a dinner in the Hague last night, Mrs Chan also took the opportunity to express the hope that European countries would support Hong Kong in its efforts to maintain the territory's unique formula for economic success "far into the next century".

"Plainly, Hong Kong's Chinese future will shape our ties with the rest of the world into the next century," she said.

One of Hong Kong's principal roles had been to serve the needs of the Chinese economy in its transactions with the outside world. That important role would continue well beyond the transition.

"Our hope is that as China's commercial and financial ties with the global economy expand, so Hong Kong's business opportunities will increase. But we cannot take success for granted.

"Hong Kong is very well aware that we will have to continue to earn our way in the world, continue to justify the levels of profit we enjoy and the wages we pay ourselves," she said.

Mrs Chan said as Chief Secretary she was determined that Hong Kong would maintain its status as the region's premier business location - the principal gateway not just to China but to developing East Asia as a whole.

During a question and answer session after her speech, Mrs Chan assured the 120 business and political leaders that the Hong Kong dollar link with the United States dollar would be maintained despite the present weakness in the American currency.

She said exchange rate stability was extremely important, particularly in the run-up to 1997, so the government had to take the long-term view.

Mrs Chan noted that if the present trend in the weakness of the US dollar continued, Hong Kong might see more imported inflation. On the other hand, however, Hong Kong's exports would be much more competitive.

The Chief Secretary stressed that it was not simply the Hong Kong Government or the Monetary Authority that had said the link with the US dollar would remain, it was also the view of the Chinese authorities.

In addition to her meeting with the Dutch Prime Minister, Mrs Chan also had discussions with the Minister for Foreign Affairs, Mr Hans Van Mierlo; the Director-General for Foreign Trade, Dr Franciscus Engering; and a luncheon meeting with some of the Netherlands top business people.

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Legal Department to improve briefing out system

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The Legal Department welcomed the part of the Director of Audit's report published today (Wednesday) on the briefing out of prosecution work to private counsel, a spokesman for the department said today.

The spokesman said the report re-affirmed the importance of the briefing out system, which was introduced in 1964, and identified certain areas where there were room for improvement, mainly in relation to keeping of records and formalisation of procedures.

He said the Legal Department would study the report and recommendations carefully with a view to introducing improvements to the briefing out system.

On the amount of prosecution work briefed out to private counsel, the spokesman said it was always the department's intention to handle as much prosecution work in-house as practicable.

But the department was bound by the fact that it had to tackle an ever-rising amount of workload while the strength of Crown Counsel had not been increased correspondingly, he said.

"As the Director of Audit acknowledged in its report, 'whilst the total court days of the (Prosecutions) Division increased substantially by 40 per cent from 8,009 in 1984 to 11,206 in 1993, the establishment of Crown Counsel in the Division only increased by 11.7 per cent from 94 to 105 during the same period,' the spokesman said.

Nevertheless, he said the department was always mindful to improve the briefing out system and had regularly reviewed its operation.

It had already taken steps since January this year to improve the briefing out procedures, he said.

These included:

- * the documentation on file of the reasons for briefing out in each case;
- * the keeping of record of all approaches to counsel for briefing out;
- * the documentation on file of the reasons for selecting a particular counsel for non-standard briefing out cases;
- * the setting up of a selection panel, consisting of two Deputy Crown Prosecutors, responsible for the selection of and negotiation with private counsel for non-standard briefing out;
- * the introduction of fee assessment for all standard briefing out cases so that counsel's brief is marked with a fee commensurate with the length and complexity of the case; and
- * the imposition of a maximum, capped monthly payment, stipulated either on a per counsel basis or per case basis for large and complex cases so that approvals for payments exceeding the limit or the cap have to be given by the Law Officers and brought to the attention of the Attorney General.

These steps were consistent with those recommended by the Director of Audit, the spokesman said, adding that the department would consider the Director's recommendations carefully with a view to introducing further improvements to the briefing out system.

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HK-Guangdong talks on boundaries of administration

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Further discussions on matters relating to the boundaries of administration between Hong Kong and Guangdong will take place in Guangzhou on April 28 and 29 between the Hong Kong Government and the Guangdong provincial authorities, a Government spokesman said today (Wednesday).

Deputy Political Adviser Mr John Ashton will lead the Hong Kong team.

The Guangdong team will be led by Mr Xiao Jinzhe, Deputy Director, Foreign Affairs Office, Guangdong Provincial Government.

End/Wednesday, April 26, 1995

31 industrial projects to be financed by Government

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The Industry and Technology Development Council (ITDC) today (Wednesday) approved 31 projects to be financed by the government's \$210 million Industrial Support Fund this financial year.

The funds, provided on a yearly basis, aim at supporting industrial projects which can contribute to the overall industrial or technological development of Hong Kong and to the competitiveness of Hong Kong's manufacturing industries.

The Secretary of ITDC and an Assistant Director-General of Industry, Mr Raymond Young, said the objectives of the successful projects could be broadly categorised as infrastructure support, manpower training, environmental control, promotion of new technology and development of industrial databases.

If classified according to the relevant industrial sector, 10 are in the biotechnology sector, three in the electronics sector, three in information technology sector, six in the metals sector, two in the plastics sector, two in the textiles and clothing sector and five in the general category.

"The vetting process was not easy because of the volume and technical nature of the applications. Expert opinions from members of various sectors of industry were sought in the vetting process, and the main criterion adopted by members of the Projects Vetting Committee of the ITDC was whether the application was 'market driven', i.e. whether there was a genuine need in the industry for the deliverables of the proposed projects," he said.

The total project cost, amounting to some \$138.7 million over a period of three years, would be disbursed to the applicant organisations according to the yearly cost estimates of individual projects.

Funds required in the 1995-96 financial year would be around \$88.8 million, with a commitment of \$37.7 million and \$12.2 million for fiscal years 1996-97 and 1997-98 respectively.

"Of these successful applications, nine are from industrial support bodies such as the Hong Kong Productivity Council, 16 from higher education institutions, two from trade and industrial organisations, three from a research institute and one from the Industry Department," Mr Young said.

"The successful applicants will be informed of the decision of the ITDC shortly and funds will be disbursed as soon as possible for projects which cost less than \$10 million.

"However, one of the approved projects which seeks to establish an 'Electro-magnetic Compatibility Compliance Engineering Centre' will have to be submitted to the Finance Committee of the Legislative Council for approval because its project cost exceeds \$10 million," he added.

Mr Young indicated that about \$35 million still remained uncommitted, and ITDC welcomed funding applications for projects which commenced within this financial year.

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Contract signed for airport civil works

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The Civil Engineering Department today (Wednesday) signed a \$60-million contract for the maintenance and construction of minor civil engineering works at the Hong Kong International Airport.

The works comprise mainly the routine maintenance of runway, aircraft pavements, day-markings, road, bridges, car parks, drainage and associated miscellaneous works, as well as construction of minor civil engineering works within the airport boundary.

The contract will last for two years commencing from next Monday (May 1).

The works will be designed and supervised by the Development and Airport Division of the Civil Engineering Office, Civil Engineering Department.

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Chung Uk Tsuen works contract signed

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The Civil Engineering Department today (Wednesday) signed a \$9 million contract for site formation, roads and drainage works at Chung Uk Tsuen.

The works comprise the formation of four hectares of site together with 400 metres of road and 1,500 metres of footpath. Stormwater drains and sewers of approximately 1,500 metres and 1,800 metres length will also be constructed.

On completion, new serviced sites for some 156 small houses at Chung Uk Tsuen will be formed.

The works will commence in May and will take 12 months to complete.

The works was designed and the construction will be supervised by the development and Airport Division of the Civil Engineering Office of the department.

End/Wednesday, April 26, 1995

44 VMs return home voluntarily

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A group of 44 Vietnamese migrants today (Wednesday) returned to Vietnam under the Voluntary Repatriation Programme of the United Nations High Commissioner for Refugees.

Comprising 20 men, 11 women, eight boys and five girls, they were the 229th batch to go back under the programme.

The group brought to 758 the total number of Vietnamese migrants who had returned voluntarily this year, and to 44,952 the total number of returnees since the programme started in March 1989.

End/Wednesday, April 26, 1995

Central and Western DB report available

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Free copies of the 1993 - 1994 Central and Western District Board Working Reports will be available from today (Wednesday).

The 45-page report with Chinese text and colourful pictures gives a detailed account of the work and activities of the board members from January 1993 to September 1994.

The report can be obtained from the public enquiry service centre of the Central and Western district office, 38 Pier Road, Central, Hong Kong.

End/Wednesday, April 26, 1995

Flushing water cuts in Tai Wai and Sha Tin

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Flushing water supply to some premises in Tai Wai and Sha Tin will be suspended from 8 am to 8 pm on Friday (April 28) to facilitate checking of the supply system.

In Tai Wai, the suspension will affect Mei Lam Estate, May Shing Court, Glamour Garden, Grandway Garden, Grandeur Garden, Holford Garden, Tai Wai San Tsuen and Tai Wai Industrial Area.

The affected areas in Sha Tin will include Hin Keng Estate, Lung Hang Estate, Sun Chui Estate, Sun Tin Wai Estate, Chun Shek Estate, Carado Garden, Golden Lion Garden Phases I and II, Green View Garden, Worldwide Garden, Julimount Garden, Happy Dragon Recreation Park, Tin Sum Tsuen, Kak Tin Tsuen, San Tin Tsuen and Lei Uk Tsuen.

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Hong Kong Monetary Authority money market operations

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	\$ million	Time (hours)	Cumulative change (\$million)
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Opening balance in the account	2,299	0930	+111
Closing balance in the account	2,125	1000	+111
Change attributable to :		1100	+170
Money market activity	+128	1200	+126
LAF today	-302	1500	+126
		1600	+128

LAF rate 4.25% bid/6.25% offer TWI 118.2 *-0.2* 26.4.95

Hong Kong Monetary Authority

EF bills

EF notes/Hong Kong Government bonds

Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.49	19 months	2611	6.90	100.85	6.41
1 month	5.50	22 months	2702	7.50	101.79	6.54
3 months	5.68	30 months	3710	7.25	101.19	6.84
6 months	5.85	36 months	3804	6.90	99.91	7.05
12 months	6.10	59 months	5003	7.75	101.13	7.61

Total turnover of bills and bonds - \$ 39,019 million

Closed April 26, 1995

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SUPPLEMENT

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Motion debate on travel insurance

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Following is the speech by the acting Secretary for Trade and Industry, Mrs Regina Ip, in the Legislative Council motion debate on travel insurance today (Wednesday):

Mr President,

I am grateful to the Honourable Howard Young for moving the present motion for debate, and for other Honourable Members who have spoken for their helpful comments. We will study carefully the suggestions and comments they have made in our consideration of the proposals for the protection of outbound travellers to be submitted by the Travel Industry Council.

The Government agrees in principle with Honourable Members that measures should be introduced speedily to improve the protection available to outbound travellers against the risks to their lives and properties while travelling overseas. The question is how and to what extent. Over the years we have, in conjunction with the outbound travel industry, introduced new initiatives to enhance the protection of outbound travellers. This is an on-going process which requires the support and co-operation of the travel industry and outbound travellers. We have always kept under review the need for new protection measures.

As the Hon Fred Li recognised, since December 1994, the Government has been in close touch with the Travel Industry Council and the Consumer Council with a view to formulating proposals to improve protection for outbound travellers in case of accidents occurring outside Hong Kong. In particular we have focused on the need for insurance cover for both outbound travellers and travel agents. At the same time, the Consumer Council and the Travel Industry Council have strengthened their publicity efforts to promote awareness among the general public of the benefits of being covered by an insurance policy while travelling outside Hong Kong. Travel agents have been advised to remind their clients to take out insurance coverage to protect themselves.

As several members had pointed out, there are three basic types of travel insurance available in the market which may give protection to outbound travellers and travel agents, namely : personal travel insurance for individuals, group travel accident insurance for travellers and public liability insurance for travel agents. When travelling abroad, individual travellers may protect themselves by taking out personal travel insurance according to their own needs. The insurance package for individual travellers can be tailor-made to cover death, injury and medical expenses in the event of an accident, as well as loss of luggage, delayed flights, loss of cash, etc. I agree entirely with members who have spoken about this subject that the taking out of such insurance cover is entirely a matter for the individual traveller. The second type of insurance is group travel accident insurance which may enable travellers to claim compensation payments at the earliest opportunity in case of accidents without the need to prove that the travel agent is at fault. This type of insurance may offer protection to travellers as well as travel agents. The third type of insurance is public liability insurance. As a general rule, travel agents are responsible for liabilities arising from the operation of their businesses irrespective of whether they have taken out public liability insurance. Public liability insurance would insure travel agents against possible claims from their clients and enable travellers to get compensation upon proof of negligence on the part of the travel agent.

The Advisory Committee on Travel Agents discussed the question of providing insurance cover for outbound travellers at its meeting in February 1995. The Committee considered the views of the public and the travel industry, submissions received from organisations and individuals, and requirements for insurance coverage in other countries. It recommended that travel agents should be required to take out compulsory group travel accident insurance for their clients initially through changes to the Travel Industry Council's membership requirement, and in the long term through legislative changes. In addition, outbound travellers should have the choice of taking out an insurance policy according to their own needs. Travel agents should encourage their clients to take out insurance to provide additional coverage and to inform them of the details of any insurance coverage included in the travel package. We welcome the recommendations of the Advisory Committee on Travel Agents in principle, and have requested the Travel Industry Council to study the feasibility of these recommendations and come up with firm proposals for our consideration.

The Travel Industry Council has appointed a committee to consider possible options. The committee has held several meetings to discuss the matter, including meetings with representatives of the insurance industry. I understand the Travel Industry Council has finalised its proposals and we are looking forward to receiving them from the Council.

As an interim measure, the Travel Industry Council has asked its members to encourage their clients to take out travel insurance themselves and to provide them with detailed information on the travel insurance services available on the market. It has also advised travel agents to disclose details of any insurance coverage included in the travel services provided to their clients.

Turning now to the more specific points made by Members. Several Members have referred to the technical difficulties in requiring travel agents to take out compulsory group travel insurance for their clients and the need for the Government to undertake broad-based consultation before arriving at a decision on the best way forward.

In fact the Hon Miriam Lau, the Hon Chim Pui-chung and the Hon Henry Tang all urged the Government to conduct, to consult, concerned parties before formulating proposals.

We fully recognised the need for adequate and broad-based consultation. The Hon Miriam Lau suggests that working group join members from interested parties should be established to deliberate on the issue. In this regard, I'm please to point out that members of the Advisory Committee on the travel agents is already playing this role. It's members are all joined from all walks of life. In particular the Travel Industry Council and Consumer Council.

The Honourable Tam Yiu-chung suggested that a special fund should be established to grant ex gratis payments to victims of travel accidents. We will study his suggestion in conjunction with the proposal for establishing a contingency fund unveiled by the Travel Industry Council yesterday.

The Hon Fred Li has expressed concern about the proposal for establishing a contingency fund announced by the Travel Industry Council yesterday. We are awaiting the details of this proposal from the Council and will no doubt take into account the views of this Council in examining the proposal from the Travel Industry Council.

In conclusion, we share Honourable Members' views that travellers should be encouraged to take out individual travel insurance according to their own needs. We are pleased to note that according to the information released by an insurance company, increasing awareness of the perils of travel abroad has triggered a five-fold jump in the number of local residents taking out personal travel insurance since 1990. This is a good sign. I do hope more and more travellers will be aware of the benefits of taking out travel insurance notwithstanding the concern about bringing bad luck as the Honourable Howard Young had pointed out. As regards insurance cover for travellers and travel agents, we have yet to receive a formal submission from the Travel Industry Council. In the light of the proposals and the advice of the Advisory Committee on Travel Agents, we shall consider whether it is necessary to require travel agents to take out group insurance for their clients and if so, to what extent and how.

With these remarks, Mr President, I support the motion.

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MTRC annual report

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Following is the speech by the Financial Secretary, the Hon Sir Hamish Macleod, on the Mass Transit Railway Corporation Annual Report 1994 in the Legislative Council today (Wednesday):

Mr President,

In accordance with section 16(4) of the Mass Transit Railway Corporation Ordinance, I table the annual report and accounts of the Corporation for the year ending 31 December 1994.

In 1994, the MTR carried 804 million passengers, 3% more than 1993. Fare revenue increased by 12.8% to \$4,315 million, while total operating costs increased by 13.5% to \$2,236 million. Interest and finance charges were \$1,269 million, 1.4% higher than last year.

The Corporation earned a net profit of \$1,038 million compared with HK\$735 million in 1993. Cumulative losses were reduced to \$1,295 million.

We are very pleased that following the signing of the Agreed Minute on the financing for the Airport and the Airport Railway, Finance Committee's approval was obtained last November for a total equity of \$23.7 billion to be committed for the Airport Railway project. This has since enabled the Corporation to make significant progress in letting some of the major contracts, whilst discussion on the Financial Support Agreement continues. It is encouraging to note that the Corporation expects to complete the project within budget.

The Corporation is committed to providing a safe, reliable and efficient service and has plans to spend \$8 billion on major improvement projects by the year 2000. In an effort to achieve greater transparency and accountability, it has published two booklets to provide Members with more financial and operational information. Performance pledges have once again been set and the results made public.

I would like to pay tribute to Mr Hamish Mathers, who has retired last month, and thank the Board, the management and the staff of the MTRC for another fruitful year and wish the new Chairman and the Corporation continuing success.

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KCRC annual report

Following is the speech by the Financial Secretary, the Hon Sir Hamish Macleod, on the Kowloon-Canton Railway Corporation Annual Report 1994 in the Legislative Council today (Wednesday):

Mr President,

In accordance with section 14(5) of the Kowloon-Canton Railway Corporation Ordinance, I table the annual report and accounts of the Corporation for the year ending 31 December 1994.

The Corporation maintained a strong financial position in 1994. Operating revenue stood at \$2,668 million, an increase of 10% over 1993. Including the income from property development, net profit for the year was \$1,124 million. No dividend was paid to the Government this year after fully taking into account the Corporation's cash flow requirements and investment needs, particularly arising from the invitation to the Corporation to submit proposals to construct the Western Corridor project announced in the Railway Development Strategy.

During 1994, major improvements were made to enhance customer service on both the Kowloon-Canton Railway (KCR) and the Light Rail Transit (LRT) System, the two core services operated by the Corporation. Punctuality was improved, with the KCR achieving an average of 99.4% and the LRT an average of 98.9%.

The KCR carried 220 million passengers in 1994, an increase of 7% over 1993. Of these, 40 million passengers travelled to and from Lo Wu, an increase of 8%. Through train traffic between Kowloon and Guangzhou decreased by 14% to 2.5 million. To improve passenger comfort, the waiting areas at Lo Wu Station have been enclosed and air-conditioned. Work to enlarge the subway at Kowloon Tong Station linking the KCR and MTR has been progressing well and is near completion.

The LRT carried 130 million passengers in 1994, an increase of 11%. During the year, Phase 3 of the Tin Shui Wai Extension was completed and came into service in March 1995. Platforms at various stops were widened, platform shelters extended, and more service information was provided to passengers.

During the year, the Corporation's freight services faced very keen competition, with modest declines recorded for inbound traffic from 2.3 million tonnes to 2.1 million tonnes, and for outbound traffic from 1.2 million tonnes to 1.1 million tonnes.

The Corporation has planned to invest \$7 billion in infrastructure and service improvements by the end of the decade. A number of major projects are already under way.

To summarise, the Corporation has continued to operate successfully and credit goes to the Chairman, the Managing Board, as well as the management and the staff of the Corporation for their achievements in the past year.

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Radiation regulations

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Following is the speech by the Secretary for Health and Welfare, Mrs Katherine Fok, in moving the Radiation (Control of Irradiating Apparatus) (Amendment) Regulation 1995 and Radiation (Control of Radioactive Substances) (Amendment) Regulation 1995 in the Legislative Council today (Wednesday):

Mr President,

I move that the Radiation (Control of Irradiating Apparatus) (Amendment) Regulation 1995 and Radiation (Control of Radioactive Substances) (Amendment) Regulation 1995 as set out under my name in the paper circulated to Members be approved.

The Radiation Ordinance and its subsidiary legislation regulate, inter alia, exposure to ionizing radiation according to international standards so as to ensure effective protection of workers and the public as regards their health and safety.

Recently, international standards on this front have been updated by scaling down the limits of ionizing radiation exposure to radiation workers and the public, hence our Amendment Regulations. Technical amendments to terminology related to the regulations are also made.

The Amendment Regulations also seek to allow the use of irradiating apparatus for specified medical purposes under certain conditions by radiographers, who need to operate irradiating apparatus when delivering their services. Radiographers will be required to be statutorily registered under the recently made Radiographers (Registration and Disciplinary Procedure) Regulation.

The Amendment Regulations enhance radiological protection according to international standards and provide strict, but reasonable, conditions under which certain persons may operate irradiating apparatus for specified purposes. The Radiation Board, the licensing authority in respect of radioactive substances and irradiating apparatus set up under section 3 of the Radiation Ordinance, has been consulted and support the Amendment Regulations.

With these remarks, I move the motion.

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Securities (Insider Dealing)(Amendment) Bill 1995

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Following is the speech by the acting Secretary for Financial Services, Mrs Lessie Wei, in moving the second reading of the Securities (Insider Dealing) (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the second reading of the Securities (Insider Dealing) (Amendment) Bill 1995.

The Bill has two main objectives. First, it seeks to amend the Securities (Insider Dealing) Ordinance to make it possible for an additional division or divisions of the Insider Dealing Tribunal to be set up so that two or more insider dealing cases can be heard at the same time. Secondly, it makes other amendments to the Ordinance to improve the operation of the Tribunal.

Investigations by the Securities and Futures Commission into suspected insider dealing are likely to generate a caseload that one tribunal will not be able to deal with alone without long delay. However, the Ordinance at present does not permit more than one tribunal, each with a different chairman and members, to operate at the same time. That insider dealing cases cannot be dealt with expeditiously may reduce the deterrent effect of the tribunal process and give the false impression that the Government does not consider insider dealing a serious matter.

Insider dealing undermines confidence in the fairness and the integrity of the market. The ability of the Tribunal to hear cases without undue delay is an important element in protecting the investing public and maintaining market integrity.

To facilitate the setting up of an additional division or divisions of the Tribunal, it is also proposed that in addition to High Court judges, former High Court judges should be eligible for appointment as chairmen of divisions of the Tribunal. This is to widen the pool of candidates who will be eligible for appointment as chairmen.

Other amendments to the Ordinance are proposed to improve the operation of the Tribunal. Of these amendments, the more significant ones are the introduction of new provisions to empower the Tribunal to award costs to persons attending inquiries of the Tribunal and to provide certain immunity to witnesses from subsequent criminal and civil proceedings in respect of evidence given at proceedings before the Tribunal.

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Drug Trafficking (Recovery of Proceeds) (Amendment) Bill 1995

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Following is the speech by the Secretary for Security, Mr Peter Lai, in moving the second reading of the Drug Trafficking (Recovery of Proceeds) (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I move the second reading of the Drug Trafficking (Recovery of Proceeds) (Amendment) Bill 1995.

The Drug Trafficking (Recovery of Proceeds) Ordinance provides for the tracing, restraining and confiscation of proceeds derived from drug trafficking and the criminalization of assisting a drug trafficker to launder his drug proceeds. It also provides for the designation of countries and territories outside Hong Kong so that external confiscation orders can be enforced here. The Ordinance helps to reduce the profitability of drug trafficking and acts as a deterrent to money laundering. It enhances Hong Kong's cooperation with overseas countries in the fight against illicit drugs. Since the coming into operation of the Ordinance in September 1989, assets to the value of \$233 million have been ordered to be confiscated; of these \$ 194 million have been paid to the Government. Further assets amounting to \$153 million are under restraint.

The purpose of the present Bill is to improve the operation of the Ordinance in the light of experience since its enactment, and to bring its provisions into line with the standards in the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

The Bill empowers the court to make a confiscation order, where proceedings in respect of a drug trafficking offence have not concluded because the defendant has absconded or died. It also empowers the court to increase the amount to be recovered under a confiscation order where additional proceeds are discovered subsequent to the making of the confiscation order.

The Bill seeks to extend the scope of production orders to cover information that is likely to become available, as well as information which is already in existence; and to make it clear that it is an offence for a drug trafficker to launder his own proceeds of crime.

The Bill also provides, in line with United Kingdom practices, that once a person has been proven guilty beyond reasonable doubt of a drug trafficking offence, the amount by which he has benefited should be determined on the standard of proof applicable to civil proceedings. Likewise, the Bill seeks to introduce powers for authorized officers to seize specified property reasonably suspected to be the proceeds of drug trafficking, which is being imported into, or exported from Hong Kong. The power to order forfeiture of such property will be given to the Courts.

To bring the Ordinance into line with the UN Convention, the Bill seeks to establish a criminal offence of dealing in property, knowing that it is the proceeds of drug trafficking; and provides for the recovery of income or other benefits derived from property which represents the proceeds of drug trafficking.

Relevant bodies in the legal and financial sectors, namely the Bar Association, The Law Society, the Hong Kong Association of Banks, the Hong Kong Deposit-taking Companies Association, the Hong Kong Society of Accountants, and the Securities and Futures Commission, have been consulted in the course of the drafting of this Bill.

Thank you, Mr President.

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Organized and Serious Crimes (Amendment) Bill 1995

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Following is the speech by the Secretary for Security, Mr Peter Lai, in moving the second reading of the Organized and Serious Crimes (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr President,

I also move the second reading of the Organized and Serious Crimes (Amendment) Bill 1995.

The confiscation and money laundering provisions of the Organized and Serious Crimes Ordinance were modelled on the provisions of the Drug Trafficking (Recovery of Proceeds) Ordinance. In moving the Drug Trafficking (Recovery of Proceeds) (Amendment) Bill be read a second time, I have just explained the need for amending that Ordinance, and the principal amendments proposed. To maintain compatibility and to achieve effective enforcement, it is necessary to make similar changes to the Organized and Serious Crimes Ordinance.

There are, however, two main differences between these two Bills. First, the Organized and Serious Crimes (Amendment) Bill does not contain amendments in respect of external confiscation orders, because the Organized and Serious Crimes Ordinance itself does not provide for such orders. Secondly, this Bill does not provide powers of seizure and detention for the proceeds of the crime which are being imported into, or exported from, Hong Kong, because it is not considered essential for such powers to be sought beyond dealing with the proceeds of drug trafficking.

Thank you, Mr President.

End/Wednesday, April 26, 1995

Builders' Lifts and Tower Working Platforms (Safety) Bill

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Following is the introductory speech by the acting Secretary for Works, Mr Keith Kwok, in moving the third reading of the Builders' Lifts and Tower Working Platforms (Safety) Bill in the Legislative Council today (Wednesday):

Mr President,

I move that the clauses specified be amended as set out in the paper circulated to members.

These amendments are proposed for the Bill after we have carefully considered the comments of the Assistant Legal Adviser to this Council on the Bill and consultation with Attorney General's Chamber. They involve the removal of an unnecessary definition in the Bill and the rewording of a clause so as to make its meaning more explicit. For the clauses in connection with the disciplinary tribunal and the appeal board, the amendments are to ensure that Director of Electrical and Mechanical Services will be notified of the time and place of the hearings and to make it clear that the presence of a legal adviser at the hearings is to deal with legal matters. I confirm that these amendments would not change the Bill in any substantial manner.

Furthermore, I would like to add that the amendments proposed for the Chinese version are intended to achieve more accurate translation and better presentation.

Mr President, I commend the amendments to Members for favourable consideration.

Thank you, Mr President.

End/Wednesday, April 26, 1995

Housing (Amendment) Bill 1995

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Following is a speech by the Secretary for Housing, Mr Dominic Wong, in moving the third reading of the Housing (Amendment) Bill 1995 in the Legislative Council today (Wednesday):

Mr Chairman,

I move that clause 7(2) be amended as set out in the paper circulated to Members.

The original clause 7(2) provides that an appeal tribunal appointed under the proposed section 7A(6) of the Housing Ordinance, in determining an appeal, should have regard to the Hong Kong Housing Authority's policies that applied to the subject matter of the appeal, and which the Housing Authority relied on when it decided to terminate a lease or to issue a notice to quit to which the appeal relates. The proposed amendment to clause 7(2) ensures that the concerned appellant was or could reasonably be expected to have been aware of the Housing Authority's policies when it made the decision.

Mr Chairman, I beg to move.

Second reading of new clause 7A

Mr Chairman,

I move that new clause 7A as set out in the paper circulated to Members be read the second time.

Clause 7A arises from our policy intention to deter the creation of mortgages or charges not authorised by the Housing Authority by making them void and rendering the offenders liable to prosecution. Legal advice is that clause 6 of the Bill only deals with the question of voidance and is not adequate to render those who create unauthorised mortgages or charges liable to prosecution. It would also be inappropriate to take prosecution action on the basis of clause 6 of the Bill or the existing offence-creating section 27A of the Housing Ordinance. We therefore propose the addition of a new clause to clarify the legal position and to make people who lend or borrow on the basis of unauthorised mortgages or charges liable to prosecution.

Mr Chairman, I beg to move.

Mr Chairman,

I move that new clause 7A be added to the bill.

End/Wednesday, April 26, 1995

Air quality problems in HK

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Following is a question by the Hon James To Kun-sun and a reply by the Secretary for Planning, Environment and Lands, Mr Tony Eason, in the Legislative Council today (Wednesday):

Question :

Regarding the air quality studies conducted by the Environmental Protection Department, will the Government inform this Council of :

- (a) the findings of such studies in various districts of the territory in the past three years;
- (b) the causes of air pollution; and
- (c) the measures which will be taken to abate air pollution?

Reply :

Mr President,

- (a) Air quality problems in Hong Kong can be described in terms of four key air pollutants: sulphur dioxide (SO₂), nitrogen dioxide (NO₂), total suspended particulates (TSP) and respirable suspended particulates (RSP). I will briefly summarise the results of air quality monitoring recorded at our eight monitoring stations over the past three years. Details are given in the table attached to the written version of this answer (Table 1).

Sulphur dioxide has been recorded at low levels throughout the territory. The yearly averages for all monitoring stations have been well within the air quality objective.

Nitrogen dioxide has been recorded at higher levels, with concentrations within the air quality objective at around 80%, with one exception. Because motor vehicles are a major source of nitrogen dioxide, levels tend to be high in districts with heavy road traffic, e.g. Mong Kok.

TSP and RSP are dust in the air. Levels of TSP have been high and the air quality objective has been exceeded at all stations, except Sha Tin. However, it is RSP which are of more concern in terms of health effects because they are small enough to breathe into the lungs. Levels of RSP have generally been within the air quality objective in Sha Tin, Tai Po and Kwai Chung; but in districts with heavy traffic, e.g. Kwun Tong, Sham Shui Po and Mong Kok, the concentrations of RSP have been higher than the air quality objective.

- (b) As for the causes of air pollution, the fuels burnt in factories and used by motor vehicles are the major causes of sulphur dioxide, nitrogen dioxide and particulates; dust emissions from construction works and open burning activities also contribute to the particulates problem.

- (c) The Government is determined to improve air quality in Hong Kong. The Air Pollution Control (Fuel Restriction) Regulations introduced in 1990 reduced the sulphur content of liquid industrial fuel to 0.5% by weight and brought ambient sulphur dioxide concentrations well within the air quality objective. A number of other measures have also helped reduce polluting emissions. These include the extension of controls on specified processes under the Air Pollution Control Ordinance; the introduction of unleaded petrol in 1991; the requirement for all vehicles imported since 1992 to comply with stringent vehicle emission standards and newly imported petrol vehicles be equipped with catalytic converters; and the smoky vehicle control programme. In addition, with effect from 1 April 1995, we have introduced cleaner diesel fuel for vehicles and even more stringent vehicle emission standards.

We are also working towards the introduction of additional measures to ensure that the air quality objectives are achieved. The measures being considered include:

- * control of construction dust;
- * control of dust and smoke from open burning;
- * higher penalties for smoky vehicles;
- * requiring light duty vehicles to use unleaded petrol and catalytic converters;
- * stricter inspection to ensure diesel vehicles are well maintained;
- * use of alternative fuels for vehicles in the longer term; and
- * more environmentally friendly transport policies.

Table 1 - Air Quality Monitoring Results at Eight Stations
1992 to 1994

(all results are yearly averages in microgram per cubic metre)

	1992	1993	1994 (provisional)
SULPHUR DIOXIDE (Air Quality Objective = 80)			
Kwun Tong	21	31	25
Sha Tin	8	10	10
Tai Po	12	-	-
Sham Shui Po	12	-	28
Central/Western	-	24	19
Tsuen Wan	36	-	30
Kwai Chung	22	33	25
Mong Kok	49	43	54
NITROGEN DIOXIDE (Air Quality Objective = 80)			
Kwun Tong	74	66	60
Sha Tin	40	-	40
Tai Po	57	42	46
Sham Shui Po	50	-	65
Central/Western	50	50	53
Tsuen Wan	63	-	60
Kwai Chung	44	48	46
Mong Kok	75	76	88

TOTAL SUSPENDED PARTICULATES (Air Quality Objective = 80)			
Kwun Tong	104	104	106
Sha Tin	81	74	70
Tai Po	87	91	86
Sham Shui Po	124	117	101
Central/Western	-	81	87
Tsuen Wan	107	-	99
Kwai Chung	91	88	87
Mong Kok	159	148	157
RESPIRABLE SUSPENDED PARTICULATES (Air Quality Objective = 55)			
Kwun Tong	72	64	58
Sha Tin	51	41	49
Tai Po	53	50	50
Sham Shui Po	71	68	61
Central/Western	-	55	56
Tsuen Wan	64	-	62
Kwai Chung	55	53	51
Mong Kok	71	65	69

End/Wednesday, April 26, 1995

Inaccurate information in electoral roll

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Following is a question by Dr the Hon Yeung Sum and a reply by the Secretary for Constitutional Affairs, Mr Nicholas Ng, in the Legislative Council today (Wednesday):

Question:

It is learnt that during the recent Municipal Council election, a number of candidates came across various inaccurate information in the electoral roll while making their rounds of home visits. As such problem had been identified during the 1991 Legislative Council election, will the Government inform this Council:

- (a) of the estimated percentage of inaccurate information in the electoral roll;
- (b) what methods the Government adopted during the past three years to rectify the inaccurate information in the electoral roll; and
- (c) of the reasons for the recurrence of the same problem in the recent election?

Reply:

Under the existing system, an electoral roll is compiled annually on a roll-over basis and published before 8 August of each year. Existing entries are carried forward to the next roll, after updating changes of electors' particulars as known to the Registration and Electoral Office. New entries are also added as the new roll is compiled. Deletion of an entry from the roll is effected only after going through certain statutory safeguards to ensure that an elector is not disenfranchised lightly. An electoral roll comes into force on the date of its publication and will remain in force until the publication of a new roll in the following year. There is no interim adjustment.

The current electoral roll which was used for the September 1994 District Board elections and the March 1995 Municipal Council elections was published on 1 August 1994 and it reflected the position as at that point in time. Given the population mobility in Hong Kong, it is inevitable that some of the information on the current electoral roll has become outdated since its publication last year. The information can only be updated when a new electoral roll is published in August this year, in time for use in the Legislative Council elections in September.

In the recent Municipal Council elections in March, some 120,000 of the official election mail were returned undelivered to the Registration and Electoral Office. In addition, the Registration and Electoral Office discovered about 50,000 suspected cases of incorrect personal particulars in the current electoral roll through its earlier updating and matching exercises. Thus, on the basis of the information available to us, about 170,000 out of the 2.45 million entries on the current electoral roll are suspected to be outdated. This represents about 7% of the total electorate. Even allowing for other cases of wrong information not known to us, it is estimated that inaccuracy of the current electoral roll should at most be not more than 10%.

We attach great importance to maintaining the accuracy of the electoral roll. However, under our existing system, the accuracy of the electoral roll depends, to a large extent, on the initiative of the electors themselves to report to the Registration and Electoral Office of any changes.

The Registration and Electoral Office arranges intensive publicity to encourage and remind electors to report changes of particulars. For instance, in the 1994 voter registration exercise, we obtained and updated information of over 330,000 electors on the electoral roll.

In the annual compilation of the new electoral roll, the Registration and Electoral Office takes active steps to trace the whereabouts of electors who are suspected to have changed addresses. Through this process of vetting, latest information obtained from electors would be reflected in the new electoral roll.

Apart from updating the roll in response to information provided by electors, the Registration and Electoral Office has also adopted a pro-active approach to update the roll through special matching exercises. The electors' particulars on the roll are matched against records kept by the Registration of Person's Office, the Housing Department, the Housing Society, the Transport Department and the Post Office. Where more current information appears on these records, the electoral roll would be updated accordingly.

I am sure Members will appreciate that, despite all the measures taken by the Government to update the electoral roll, ultimately our electoral roll can only be as accurate as our electors want it to be. It is our civic duty to register as an elector and it is our obligation to inform the Registration and Electoral Office of any changes of particulars after we have registered.

End/Wednesday, April 26, 1995

Interviewing Witness Scheme

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

Question:

In regard to the Independent Police Complaints Council's practice of interviewing witnesses, will the Government inform this Council of the procedures involved and the purposes of such a practice, and whether it has achieved its intended results?

Reply:

Mr President,

As part of a package of measures to improve the present system for handling complaints against the Police, the Administration introduced the Interviewing Witnesses Scheme for Members of the Independent Police Complaints Council in July 1994. The first interview was conducted in October 1994. So far, 13 witnesses involved in six cases have been invited for interview and 10 of them have agreed to be interviewed.

The main purpose of the Scheme is to improve the ability of the Independent Police Complaints Council to monitor investigations conducted by the Complaints Against Police Office (CAPO). The intention of the Scheme is to enable Members to clarify matters with witnesses, but not to take over CAPO's investigatory role.

The Independent Police Complaints Council has full discretion to decide who should be invited for interview including complainants. Interviews are conducted by a panel, consisting of two Council Members supported by staff of the Council's Secretariat. Only one witness is interviewed at a time and interviews are conducted in private. Since the interviews are solely to clarify areas of doubt, witnesses are not required to sign or to acknowledge any documents. The panel then prepares a record of the interview for consideration by the full Council. Where necessary, the Council will follow up with CAPO on the information obtained through the interviews.

The Scheme is very useful and has helped Members of the Independent Police Complaints Council fulfil their independent monitoring role. Through these interviews, the Council can clarify ambiguities in statements given by witnesses or allow them to elaborate on their side of the story. This valuable information cannot be readily obtained from scrutiny of the files or from correspondence with CAPO. In fact, these interviews have so far enabled the Independent Police Complaints Council to re-examine the classification of four complaint cases and to confirm the findings in two other cases.

The Independent Police Complaints Council, together with the Administration, would keep the interviewing system under review to see if any improvements are warranted in the future.

End/Wednesday, April 26, 1995

Noise nuisance caused by airport railway works

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Following is a question by the Hon Lee Wing-tat and a reply by the Secretary for Planning, Environment and Lands, Mr Tony Eason, in the Legislative Council today (Wednesday):

Question:

Regarding the noise nuisance caused by the airport railway construction works, will the Government inform this Council whether:

- (a) the Mass Transit Railway Corporation (MTRC) has made a verbal or written undertaking that the noise level from such works will be kept below 75db; if so, what the details of the undertaking are and what monitoring measures have been adopted by the Government;
- (b) it is aware that the noise level from such works at Lai King has frequently exceeded 75db, and even reached 90 db on one occasion, since the commencement of the works; if so, whether any attempts have been made to find out the reasons for such high noise levels and whether remedial measures have been adopted; and

- (c) it will reconsider giving the residents of the two blocks in Lai King Estate, which are situated ten metres only from the construction site, the option to move into other blocks in Kai King Estate or other estates where the level of noise nuisance is lower?

Reply:

Mr President,

- (a) The Mass Transit Railway Corporation carried out a full Environmental Impact Study to identify potential impacts during construction and operation of the Airport Railway prior to construction. The study report was put to the Advisory Council on the Environment in April 1994 and endorsed.

Among other mitigation measures, the MTRC voluntarily adopted a target daytime construction noise limit of 75 db for noise measured at the nearest sensitive receiver between 7 am and 7 pm from Monday to Saturday excluding General Holidays. These are the hours under the Noise Control Ordinance for which no noise level restrictions have been specified for construction works, except piling work.

At meetings with the Kwai Tsing District Board in March 1994 and the Advisory Council on the Environment in April 1994 and February 1995, the MTRC assured members of their commitment to the undertakings and the mitigation measures recommended in the EIS. In the Finance Committee information note on the Airport Railway [FCRI(94-95)], Members were also informed of the details of the environmental mitigation measures for the Airport Railway.

The EIS established comprehensive Environmental Monitoring and Audit Programmes for the MTRC to monitor the environmental impacts of the Airport Railway and the effectiveness of the mitigation measures. In addition, the Environmental Protection Department set up the Environmental Project Office (ENPO) - Kwai Chung/Tsing Yi to monitor and audit the cumulative environmental impacts arising from construction activities in the area, including the Airport Railway construction works. ENPO, in addition to reviewing their reports on environmental monitoring data with the MTRC, also conducts regular site inspections and obtains noise level measurements, and takes prompt action when necessary to advise the MTRC to improve the effectiveness of mitigation measures in hand. The Environmental Protection Department and the MTRC have set up telephone hotlines for receiving enquiries and complaints, and site procedures allow virtually immediate response if this is necessary.

I wish to assure Members that the MTRC and the Government have taken the environmental issues very seriously, with dedicated staff resources to address such matters. The MTRC has 8 general staff with another 7 overseeing staff carrying out supervisory work and environmental control, while the Government has 6 overseeing staff.

- (b) Mr President, construction work at Lai King commenced almost twelve months ago, whereas noise complaints only began to be received early this year. The complaints have been traced to source, and it is true that there have been exceedences of the MTRC's self-imposed 75db noise limit despite the considerable efforts made to stay inside this limit. The problem stems from the need to construct substantial concrete footings involving rock excavation for a noise enclosure structure, which is itself a temporary but essential part of the noise mitigation measures being provided for construction of the permanent works. Following completion of this noise enclosure by May 1995, i.e. next month, the MTRC is confident that the 75db limit will be adhered to. In the meantime, constant efforts have been made to reduce noise impacts, and the record shows continuous improvement so that the levels are now contained to about 75 to 77 db.

The Administration will continue to work closely with the MTRC to contain the noise impact problems at Lai King, and indeed elsewhere arising from the construction of the Airport Railway. Local residents are being contacted almost daily and local representative bodies also are being kept fully in the picture.

- (c) The Housing Department is unable to offer rehousing to tenants of Lai King Estate as a general practice on the grounds of noise nuisance over a limited period of time. However, it is always willing to consider sympathetically exceptional arrangements for tenants with special needs, e.g. where there are health grounds for transfer. Apart from the resource considerations, the Department believes that it is essential and most effective to mitigate noise levels at source, and this as I have pointed out is the approach which the MTRC and other government departments are adopting.

End/Wednesday, April 26, 1995

More optical readers to be installed

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

Question:

Regarding the installation of optical readers at the LoWu and Airport immigration control points, will the Administration inform this Council:-

- (a) of the respective average processing times for each traveller before and after the installation of the optical readers;
- (b) of the respective numbers of passengers that can be processed each hour in a normal situation and during peak hours; and
- (c) whether optical readers will be installed at the HK - Macau and HK - China ferry immigration control points in the near future?

Reply:

Mr President,

- (a) At Lo Wu, the average processing time for a Hong Kong Identity Card holder is 20 seconds at present. Before the installation of optical readers the average processing time was 24 seconds i.e. there is a reduction of the processing time by 4 seconds.

At the Airport, the average processing times for arrival and departure clearances are different. For a Hong Kong Identity Card holder, the average for arrival clearance is 30 seconds at present, compared with 34 seconds before the installation of optical readers. That for departure clearance is 39 seconds, compared with 43 seconds before.

We plan to install more optical readers to facilitate clearance. At present, 350 optical readers have been installed for clearance of Hong Kong Identity Card holders only. An additional 270 optical readers will be installed in September this year at the control points for handling machine readable passports as well. We estimate that using the optical readers, the current average processing time for machine readable passports of 90 seconds for arrivals and 60 seconds for departures will be reduced by 20 seconds for each machine readable passport holder.

- (b) Lo Wu is now able to process 9,200 passengers per hour during normal times and 11,500 passengers during peak periods. This represents an increase of 28% in the handling capacity for normal times and 35% for peak periods. The Airport is able to process 5,800 passengers per hour during normal times and 8,200 passengers per hour during peak periods. The increase in capacity is 4% and 5% respectively. As the proportion of machine readable passports cleared at the Airport is much larger, there will be a considerable improvement in the handling capacity when optical readers are installed for machine readable passport holders by September this year.

The increase in handling capacity is made possible not only by the installation of optical readers, but by an increase in manpower. Last year, we created 113 additional posts for Lo Wu. This year, we have just created 44 additional posts for the Airport.

- (c) Optical readers were installed at the Macau and China Ferry Terminals last September for clearance of Hong Kong Identity Card holders. Additional readers will be installed this September. In fact, from September this year, all the counters at major control points will be installed with optical readers.

End/Wednesday, April 26, 1995

Visa application procedure

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The following is a question by the Hon Simon Ip Sik-on 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 whether measures will be taken to make employment and commercial visa application procedures more efficient and transparent to applicants; if so, what the measures are, and whether the Immigration Department will consider adopting the following additional measures:

- (a) issue and publicise guidelines for those applying for employment or commercial visas after their arrival in Hong Kong;
- (b) issue and publicise clearer guidelines on the documentation required at the outset of an application, so that an applicant does not need to make several trips back to the Department to submit documents not originally requested;
- (c) issue and publicise more detailed instructions for completing application forms, including glossaries of terms used therein; and
- (d) take steps to shorten the lengthy queues faced by applicants?

Reply:

Mr President,

Procedures for the application for visas for employment and investment are designed to be as simple and straightforward as possible. Information pamphlets and application forms are available at service outlets of the Immigration Department, District Offices and British visa posts overseas. Guidance notes attached to visa application forms distributed in Hong Kong set out in detail the supporting documents needed and highlight areas requiring special attention. Public enquiries can be made at the Immigration Department's Information Office, through the Department's 24-hour enquiry hotline (tel. no. 2824 6111) or at British visa posts overseas.

We are committed to providing an efficient and courteous service to the public. To this end, we continue our efforts to improve and simplify visa application procedures. For example, we introduced in October last year a dual-track system where applicants seeking to enter Hong Kong for employment, investment, training, residence or education may either submit their visa applications to their nearest British visa post or send them to the Immigration Department, either directly or through their local sponsors. The direct application facility reduces normal processing time by up to two weeks.

As regards the additional measures referred to in the Honourable Member's question:

- (a) Persons who wish to work or set up business in Hong Kong should apply to British visa posts or to the Immigration Department for visas before they come to Hong Kong. Applications from visitors for employment or investment after their arrival should be regarded as exceptions.
- (b) As explained above, application forms and guidance notes are widely available. Applicants or their sponsors are encouraged to provide all the necessary documents at the outset, so that there should be no need to make repeated trips. Staff of the Immigration Department are ready to answer any queries, through telephone enquiries if desired, by applicants or their sponsors on the documentation required.
- (c) Visa application forms are already written in plain language and are designed to be user-friendly. Immigration Department staff are ready to assist applicants who have difficulty in completing the forms.
- (d) Applicants for visas need not apply to the Immigration Department in person. They may send their applications directly to the Immigration Department by post, or apply through British visa posts overseas. They should then be able to avoid any need for queuing. Visitors who seek to change their status after arrival may submit their applications to the Department's Entry Visa "Other Services" Section, and their applications are normally received over the counter, after a short preliminary screening. However, they may also send their applications by post, thus avoiding any need for queuing.

End/Wednesday, April 26, 1995

Truck drivers from China

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Following is a question by the Hon Lee Cheuk-yan 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 of the number of container truck and truck drivers from China driving such vehicles to enter and leave the territory in the course of their work per month in the past year; and whether such drivers are classified as imported labour?

Reply:

Mr President,

PRC drivers employed by companies in China who drive trucks (including container trucks) into Hong Kong in the course of their work enter on multiple-journey visit visas. As at April 18, 1995, there were 713 PRC truck drivers holding valid visas. These PRC drivers are not classified as imported workers as they are employed by companies in China.

We do not have monthly statistics on the arrival/departure of PRC truck drivers on visas. Statistics are available only for all PRC drivers entering on visas, i.e. PRC drivers of trucks, passenger coaches, private cars etc. The statistics for the past 12 months are as follows:

<u>1994</u>	<u>Arrival</u>	<u>Departure</u>
April	9,667	9,742
May	9,918	9,660
June	10,525	10,442
July	10,964	11,099
August	11,521	11,426
September	11,272	11,293
October	11,238	11,206
November	10,719	10,561
December	11,166	11,202
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Total:	96,990	96,631
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<u>1995</u>	<u>Arrival</u>	<u>Departure</u>
January	10,979	11,003
February	8,716	8,628
March	14,632	14,493
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Total:	34,327	34,124
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End/Wednesday, April 25, 1995

Number of container trucks

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Following is a question by the Hon Vincent Cheng Hoi-chuen and a written reply by the Secretary for Transport, Mr Haider Barma, in the Legislative Council today (Wednesday):

Question:

Will the Administration inform this Council of the projection of the number of container trucks in the next decade, given the Administration's projected number of container units that will be handled by the territory's container facilities in the next 12 years up to 2006?

Reply:

Mr President,

As at 1 April 1995, the number of licensed container vehicles in Hong Kong is 12,862. The number is projected to increase to 20,000 by 2001 and 27,000 in 2006.

End/Wednesday, April 26, 1995

Subsidy for residential care homes for the elderly

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

Question:

The Government has indicated that a provision of \$50 million will be set aside to subsidize private residential care homes for elderly persons (RCHs) to improve their facilities so that they can comply with the requirements specified in the Residential Care Homes (Elderly Persons) Ordinance, which came into effect on 1st April 1995. In this connection, will the Government inform this Council :

- (a) when it will announce the application procedures concerning the subsidy scheme so that private RCH operators in need of financial assistance can submit applications as soon as possible;
- (b) of the estimated number of private RCHs which will apply for subsidy;
- (c) of the estimated average amount of subsidy to be granted in respect of each application;
- (d) what monitoring measures it will adopt to ensure that the funds granted are properly used by subsidized private RCHs; and
- (e) whether, in regard to those private RCHs whose applications for subsidy have been rejected, consideration will be given to providing other means which will help them to meet the requirements of the Residential Care Homes (Elderly Persons) Ordinance?

Reply:

The reply is as follows :

- (a) We aim to announce the application procedures for the Financial Assistance Scheme before the end of May 1995. Operators of private homes and self-financing non-profit-making homes for the elderly will then be invited to submit applications accordingly.
- (b) & (c) Existing private homes vary enormously in terms of their financial condition and the scale of improvement or alteration works which they may need in order to comply with the new statutory requirements. It is, therefore, difficult to estimate the number of private Residential Care Homes (RCHs) which will apply for the subsidy and the amount of subsidy which will be appropriate in each case.

- (d) The Social Welfare Department is devising application, vetting and payment procedures for the Financial Assistance Scheme in order to ensure that the funds granted are properly used. RCHs will be required to meet certain eligibility criteria when they make their applications. While all applications will have to be based on estimates made by professional consultants or qualified contractors, the scope of work and project costs will need to be vetted and approved by the Social Welfare Department on the advice of a professional works team established especially for that purpose in the Department. This team will monitor the progress of each successful application and the payment of grants will be made only on a reimbursement basis against certified receipts.
- (e) The most likely reason for the rejection of an application made by an RCH would be that the RCH concerned had locational or structural problems which could not be rectified even through major improvement works. In such a case, the operator would be advised to seek alternative premises to continue the operation of the RCH. In the event that a home may need to be closed for whatever reason, the Social Welfare Department will assist operators to find alternative places for any elderly persons affected.

End/Wednesday, April 26, 1995

Measures to ensure navigation safety

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The following is a question by the Hon Miriam Lau and a written reply by the Secretary for Economic Services, Mr Gordon Siu, in the Legislative Council today (Wednesday):

Question :

Despite steps taken by the Marine Department to ensure navigation safety in the territory's waters, two serious collisions involving passenger catamarans have occurred in the territory's waters within a period of four months. In view of this, will the Government inform this Council whether :

- (a) the Marine Department will adopt any special measures to prevent the occurrence of similar accidents; and
- (b) the Marine Department has any contingency plans to deal with such accidents?

Reply:

Mr President,

The Director of Marine is inquiring into the causes of the two recent collision incidents involving passenger catamarans. Only one of those incidents occurred within Hong Kong waters; the other occurred within Chinese waters. In the light of the outcome of those inquiries, the Administration will implement all necessary measures to prevent the occurrence of similar accidents.

The Director of Marine has already implemented a number of proactive measures to minimise the risk of collisions. These include the establishment and realignment of fairways, the stepping up of harbour patrols, augmenting the regulations and procedures of the vessel traffic system and the establishment of additional local traffic control stations. These measures have already improved the regulation of traffic flow in the harbour. For the future, a new Marine Control Station at Ma Wan is to be commissioned in June and an additional 24-hour harbour patrol team will be deployed later this year to step up surveillance and harbour control. A longer term strategy for the management of Hong Kong waters is being developed in conjunction with a comprehensive study on marine navigational issues which we propose to start later in the year.

As regards contingency planning, comprehensive plans are in place. For example, in the event of accidents, the Marine Rescue Co-ordination Centre coordinates rescue operations in conjunction with the Marine Police who may call upon support as necessary from the Fire Services Department, the Government Flying Service and such other specialist services as may be necessary.

End/Wednesday, April 26, 1995

Schemes to improve financial situation of elderly

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The following is a question by the Hon J D McGregor and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question :

Elderly citizens who are now the recipients of the normal Old Age Allowance and the higher Old Age Allowance have been given the expectation that they would be able to receive an Old Age Pension of at least \$2,300 per month at 1995 price levels. However, the abandonment by the Government of the proposed Old Age Pension Scheme has now left these elderly citizens without any apparent improvement to their small Old Age Allowances. In this connection, will the Government inform this Council what measures it now proposes to take to improve the financial situation of these elderly people estimated at over 400,000 who are not subject to inclusion in the Comprehensive Social Security Assistance Scheme, together with a timetable for the introduction of any such measures?

Reply:

The proposed Old Age Pension Scheme (OPS) was designed as a contributory scheme to provide income security for all eligible elderly persons. The Old Age Allowance for elderly persons is non-contributory and, apart from an income declaration for those aged 65 to 69, is a non-means tested grant. Our Comprehensive Social Security Assistance (CSSA) Scheme is designed to provide financial support to those in genuine financial need i.e. it is a means-tested welfare payment.

It is important that the fundamental differences between these various schemes are fully appreciated. The Government is proceeding with a mandatory privately managed provident fund scheme (the MPF) in place of the OPS to address the need for financial security in retirement. The Administration intends to introduce legislation to establish the MPF system in this legislative session.

In addition, the Review of the CSSA scheme currently in hand should be concluded in the first quarter of 1996. The Financial Secretary has agreed to reserve funds to enable some, if not all, of the Review's recommendations to be implemented in the 1996-97 financial year.

The financial needs of the elderly are best addressed by a successful implementation as early as possible of the MPF system and any enhancements of CSSA payments for the elderly which may be recommended in the CSSA Review and which could increase the number of elderly persons entitled to CSSA support. It is the development of these two schemes, rather than the Old Age Allowance scheme which is not targeted at those in need, which will be the best way of meeting the financial needs of elderly persons in the future.

End/Wednesday, April 26, 1995

Letting markets to single operators

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Following is a question by the Hon Tam Yiu-chung and a written reply by the Secretary for Housing, Mr Dominic Wong, in the Legislative Council today (Wednesday):

Question:

There has been an increasing trend in recent years of the Housing Authority letting entire markets or shopping centres in public housing estates to single operators. As the sublessees at different levels need to make a profit, the costs borne by the direct operators of these markets and shopping centres have in consequence increased substantially, and these are in the end passed on to the consumers. Recently, the direct operators in Kwong Tin Estate in Lam Tin have taken strike action, because they are unable to bear the substantial rises in rent. In this connection, will the Government inform this Council:

- (a) whether the Housing Authority will consider discontinuing the mode of letting markets and shopping centres in housing estates to single operators; and
- (b) what measures the Housing Authority will put in place to monitor the situation in housing estates where an entire market or shopping centre has been let to a single operator, in order to prevent the occurrence of similar strike incidents?

Answer:

- a) At present, there are six markets and six supermarket-cum-markets in Housing Authority estates which have been let to single operators. Past surveys conducted of ten of these markets showed that the products and services provided were well received by residents. By letting these commercial premises to single operators, the Housing Authority expects them to provide an efficient service, while at the same time containing staff growth. For these reasons, the Housing Authority does not intend to discontinue the single-operator practice in the housing estates concerned. However, it will continue to monitor the services provided with a view to improving the letting system if necessary.
- b) In letting markets to single operators, the Housing Authority adopts the following measures to safeguard the interests of residents -
- (a) the operator is required under the tenancy agreement to run a variety of essential trades and services;
 - (b) the operator is required to submit individual sub-tenancy agreements to the Authority prior to their execution, and to bring any subsequent change or termination to the notice of the Authority;
 - (c) the premises should be kept open for business between 7 a.m. and 8 p.m. daily; and
 - (d) the Authority retains the right to terminate the agreement with the single operator in case of unsatisfactory performance on the part of the operator or his sub-tenants.

Moreover, the practice of letting commercial premises to single operators is not adopted unless there is an alternative market in the vicinity. This ensures consumer choice and continuity of service to residents in case of disruption.

- c) Operators and sub-tenants of single-operator markets in public housing estates are given a free hand to make their own commercial decisions. In the case of Kwong Tin Estate, which houses a supermarket-cum-market run by a single operator, the recent temporary closure of the wet market was decided on by stallholders during negotiations over the terms of renewal of their tenancies. Notwithstanding the temporary closure of the wet market, the operator has been able to maintain service in the supermarket section.

- d) While the Housing Authority does not exercise direct control over the contractual terms and conditions under which individual stalls are sub-let by the operator, the Authority always encourages dialogue between the operator and sub-tenants to resolve disputes and to maintain harmonious relationships. In the event of a serious service disruption, the Authority will intervene with a view to restoring service to the public as soon as possible.

End/Wednesday, April 26, 1995

Social security assistance payments

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The following is a question by the Hon Christine Loh and a written reply by the Secretary for Health and Welfare, Mrs Katherine Fok, in the Legislative Council today (Wednesday):

Question:

In his reply to a written question which I asked concerning the Programme Area on Social Security in the context of the examination of Draft Estimates of Expenditure 1995-96, the Director of Social Welfare has stated that the Comprehensive Social Security Assistance (CSSA) rates have increased by about 15 times over the last two decades while the rate of inflation as measured by the Consumer Price Index (A) has gone up only six times. In this connection, will the Government inform this Council how it has calculated this increase in CSSA payments and, in particular, how it can demonstrate the real increase in the last ten years?

Reply:

When the Public Assistance Scheme, which is now known as the Comprehensive Social Security Assistance (CSSA) Scheme, was set up in 1971, the basic (now standard) rate for a single person was \$70 per month. Since then, the standard rates have been adjusted in accordance with increases in the cost of living. Real increases have also been made to the rates. In 1994, the standard rate for a single person became \$1,115 per month, representing an increase of about 15 times over the rate in 1971. The Consumer Price Index (A) (CPI(A)) rose from 21.0 in 1971 to 146.9 in 1994, representing an increase of about 6 times.

From 1985 to 1994, the standard rate for a single person increased from \$510 per month to \$1,115 per month, representing an increase of 119%. The CPI(A) rose from 72.8 in 1985 to 146.9 in 1994, representing an increase of 102%. This demonstrates a real increase in the CSSA payment rates over the last ten years.

End/Wednesday, April 26, 1995

Water supply to remote villages in NT

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Following is a question by the Hon Albert Chan Wai-yip and a written reply by the acting Secretary for Works, Mr Keith Kwok, in the Legislative Council today (Wednesday):

Question:

In his written reply to a question regarding complaints about the lack of water supply to squatter areas at the Council sitting on 30 June 1993, the Secretary for Works indicated that a Public Works Programme Item "Water Supply to Remote Villages in the New Territories" had been created. However, the residents of Lin Fa Shan in Tsuen Wan have recently complained that the area is still without water supply. In this connection, will the Government inform this council of:

- (a) the progress of the project for the provision of water supply to Lin Fa Shan :
- (b) the target date for completion of the project :

- (c) the villages in the New Territories which are currently without water supply :

Reply :

Mr President,

- (a) The progress of the project for the provision of water supply to Lin Fa Shan :

Provision of water supply to Lin Fa Shan in Tsuen Wan has been planned as part of the project 'Chuen Lung & Ha Fa Shan Scheme' which comprises a 2-staged pumping system. Tender for the works will be gazetted in June 1995 and construction will commence in September 1995.

There are however still land problems to be resolved, and consequently difficulties in finding suitable routes for the water mains in the area. Unless the land problem can be resolved before the tender date, some delay is expected for the completion of the project.

- (b) The target date for completion of the project :

The project is expected to complete by end of 1996 and metered water supply will also be available to the villagers of Lin Fa Shan at the same time.

- (c) The villages in the New Territories which are currently without water supply :

Out of the 774 villages identified under the New Territories Water Supply Scheme, 640 villages have been provided with metered water supply. There are a total of 134 villages not yet provided with metered water supply and for these villages, actions at different stages are being taken as follows :-

(a)	Villages for which works are at design or construction stage (Construction works for villages were underway. Works for the other villages were being designed).	50
(b)	Villages under planning.	19
(c)	Villages presently not planned for metered water supply but are being reviewed.	30
(d)	Villages cleared or to be cleared.	4
(e)	Villages which are deserted or are sparsely populated.	31
	Total	134

End/Wednesday, April 26, 1995

Future development of Sai Tso Wan

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The following is a question by the Hon Fred Li Wah-ming and a written reply by the Secretary for Planning, Environment and Lands, Mr Tony Eason, in the Legislative Council today (Wednesday):

Question:

It is learnt that the Planning Department has undertaken a study on the future development of Sai Tso Wan in Cha Kwo Ling, Kwun Tong. In this connection, will the Government inform this Council:

- (a) when the Planning Department has started to study the land use of that site;
- (b) of the reasons why the Planning Department has not yet released any findings of the study, and whether preliminary findings of the study will be made public; and

- (c) whether the Planning Department will be able to complete the report of the study before the land lease of the clay mine situated at the above-mentioned site expires in 1996; if not, what actions the relevant departments will take to solve the noise and air pollution problems caused by the mine to residents in Cha Kwo Ling and Laguna City?

Reply:

Mr President,

The answers to the three-part question are -

- (a) The Planning Department commissioned the Central and East Kowloon Development Statement Consultancy study in December 1994. The objective of the study is to provide a broad planning framework to guide the planning and development of Central and East Kowloon up to 2011 having regard to Metroplan and the latest strategic planning, transport and infrastructure proposals relevant to the study area. The study area covers Kwun Tong, Wong Tai Sin and part of Kowloon City. The land use of Cha Kwo Ling, Kwun Tong is covered by this study.
- (b) Upon completion of the above-mentioned study, relevant district boards will be consulted on its findings and recommendations.
- (c) The study is scheduled for completion in February 1996 which is before the expiry of the land lease of the clay mine in mid-1996. The Environmental Protection Department (EPD) has been and will be continuing its monitoring on the operation of the clay mine against any breaches of the statutory limits under the Air Pollution Control Ordinance (Cap.311) and the Noise Control Ordinance (Cap.400). Further legislative control, in the form of a licence control system under the Air Pollution Control Ordinance will be in place by August 1995. By then, EPD can impose licensing conditions on the operator to tighten the control over air emissions. The operator has commissioned a consultant to work out the necessary upgrading measures with a view to reducing air emissions to the minimum.

End/Wednesday, April 26, 1995

Appointments to advisory boards and committees

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

Question:

Regarding the Government's policy on the appointment of members of advisory boards and committees, will the Government inform this Council :

- (a) whether there are specific criteria for such appointments; if so, what these criteria are;
- (b) whether members' attendance rate constitutes one of the criteria for reappointment; and
- (c) whether, in regard to the situation of individual members of certain boards or committees with a low attendance rate, the Government will draw up measures, such as stipulating a minimum attendance rate, so that those members who fail to attain such a rate will not be reappointed at the expiry of their terms of office, in order to ensure that members will make every effort to attend meetings?

Reply:

- (a) In general terms, appointments to advisory boards and committees are made on the basis of the merits of the individuals concerned taking into account their personal ability, experience, integrity, commitment to public service and their overall suitability for appointment.
- (b) An individual's commitment to public service is taken into account in considering his re-appointment to advisory boards and committees. Attendance at meetings is only one of the many measures of one's commitment to public service.
- (c) In light of the above, it is not considered necessary to specify a minimum attendance rate as a criteria for re-appointment as to do so will introduce too much rigidity into the system.

End/Wednesday, April 26, 1995

Water pollution in Tolo Harbour

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The following is a question by Rev the Hon Fung Chi-wood and a written reply by the Secretary for Planning, Environment and Lands, Mr Tony Eason, in the Legislative Council today (Wednesday):

Question :

Despite a number of work projects and measures being taken by the Government to tackle the water quality problem in Tolo Harbour, no improvement has been made to the problems of water pollution and red tides, as evidenced by the recurrence of the red tides problem which has resulted in the death of large quantities of fish and the emission of stench affecting nearly half of the district of Tai Po. In view of this, will the Government inform this Council :

- (a) whether the continued existence of water pollution and red tides is an indication that the existing measures adopted have had no practical effects or that there are problems in the enforcement of these measures; and
- (b) whether, apart from the projects launched by the Government to divert sewage to other places, consideration will be given to removing the pollutants in the water by dredging the silt on the seabed in order to solve the water pollution problem in Tolo Harbour on a permanent basis?

Reply :

Mr President,

The statement in the preamble to the question that there has been no improvement to water quality in Tolo Harbour is incorrect. The answers to (a) and (b) are as follows :

- (a) The Tolo Harbour Action Plan (THAP) was put in place in 1987 to tackle water pollution and red tides in Tolo Harbour. The organic and nutrient pollution loads have been reduced by 45% and 36% respectively since the inception of the THAP. Much of these reductions is the result of enforcement action under the Water Pollution Control Ordinance, following declaration of the Tolo Harbour & Channels Water Control Zone in 1987, and of livestock waste control through the Waste Disposal Ordinance since 1988. Enforcement action and other measures have brought about a marked improvement in water quality, as indicated by lower densities of algae and a reduction in the number of red tides in recent years. Nevertheless, because some polluting inputs continue, red tides occur from time to time, especially in the spring when algal blooms are more likely to occur. Further improvement to water quality is expected as more sources of pollution are removed.

Effluent export from the Sha Tin sewage treatment works, a key part of the THAP, was commissioned in April 1995. The same will be done for the Tai Po sewage treatment works in August 1995. Overall, this scheme is expected to further reduce organic and nutrient loadings by 10% and 30% respectively. The works to provide 14 Sha Tin villages with new sewers are nearing completion and works to provide 25 villages in Tai Po with the same have already begun. Further reductions in Tolo Harbour's pollution loading will occur when domestic sewage from these villages is diverted to the public sewers. These major improvement works, together with continued enforcement of the Water Pollution Control Ordinance to remove expedient connections and illegal discharges, the collection of leachate from the Shuen Wan landfill for treatment and restoration of the landfill upon its closure later in 1995, will also bring about further reductions in pollution loads.

- (b) Dredging the Tolo Harbour seabed would not help much. Although organic sediments on the seabed release nutrients, their contribution to red tides is small compared to the amount of pollution coming from land-based sources. Dredging the sediments would also lead to resuspension and dispersion of the nutrients and other pollutants into the water body. The most effective way to tackle water pollution in Tolo Harbour is to reduce pollution loads entering the water as outlined under (a) above.

Sex education

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Following is a question by the Hon Eric Li Ka-cheung and a written reply by the acting Secretary for Education and Manpower, Miss Jacqueline Willis, in the Legislative Council today (Wednesday):

Question:

It has been pointed out in a number of surveys in recent years that young persons have gradually adopted an open attitude towards sex, and yet their sexual knowledge is relatively limited. In this connection, will the Government inform this Council :

- (a) of the respective numbers of serving and pre- service teachers who have received training in sex education, together with the number of schools which have borrowed teaching materials related to sex education in the past three years;
- (b) whether the Education Department has completed its survey, which started last year, on the knowledge and attitude of secondary school students on sex and sex education; if so, what the findings are;
- (c) when a review will be conducted of the effectiveness of the "Guidelines on Sex Education in Secondary Schools" published in 1986, which is still in current use, in promoting the mode and curricula of sex education; and whether other professionals and members of the public will be invited to participate in such a review; and
- (d) whether consideration will be given to drawing up new sex education curricula for primary one to primary six, form one to form three, form four to form five and matriculation classes, which are more specific than the general guidelines and which will enable teachers to be more effective in teaching sex education?

Reply :

Mr President,

- (a) Over the past three years, a total of 2,550 pre- service and 363 in-service teachers have received training/re-training in sex education.

The pre-service figure is made up of 2,500 students from the former Colleges of Education, and 50 students from the Chinese University of Hong Kong. The in-service figure wholly relates to serving teachers who attended the special training courses in sex education sponsored or run by the Education Department.

During the same period, 62 schools have borrowed teaching or display materials related to sex education from the two Education Department Sex Education Resource Centres.

- (b) This survey is being conducted by a research team from the Chinese University of Hong Kong on behalf of the Education Department. It is scheduled for completion in August this year.
- (c) The Education Department will review the Guidelines on Sex Education in the light of the results of the survey mentioned at (b) above. The Department intends to involve professionals, school principals, teachers, parents and members of the public in this review.
- (d) Besides the Guidelines on Sex Education, over 60 topics relating to sex education are currently taught at different levels in the context of ten different school subjects e.g. biology, social studies etc. While these topics are reviewed regularly, the need for separate curricula for different school levels will be considered in the review mentioned at (c) above.

End/Wednesday, April 26, 1995

Linkage between HKFE and Philadelphia Stock Exchange

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Following is a question by the Hon Steven Poon Kwok-lim and a written reply by the acting Secretary for Financial Services, Mrs Lessie Wei, in the Legislative Council today (Wednesday):

Question:

In view of the decision of the Hong Kong Futures Exchange (HKFE) to form a linkage with the Philadelphia Stock Exchange (PSE) in the United States which will enable the same futures product to be traded on both exchanges, will the Government inform this Council whether -

- (a) it will ask the HKFE to clarify if the HKFE's establishment of a linkage with the PSE, which will facilitate the PSE in trading futures contracts on Hong Kong stocks, goes against HKFE's original intention of launching stock futures contracts and the Government's undertaking given to this Council and the securities industry, bearing in mind that when the plan for introducing futures contracts on the Hongkong and Shanghai Banking Corporation Holdings and Hongkong Telecom stocks was explained to Members of this Council, the Government highlighted in particular the need for the HKFE to introduce the product as soon as possible so as to forestall a launch by the Singapore International Monetary Exchange of futures contracts on these two stocks;
- (b) the HKFE has received encouragement from the Securities and Futures Commission (SFC) and the Government in making this decision;
- (c) such a decision requires the prior approval of the SFC; if so, whether the SFC in granting its approval has assessed the overall implications of the HKFE's decision on the territory's securities industry and whether the SFC's findings will be published; if not, whether consideration will be given to amending the relevant legislation so that the launching of similar plans requires the prior approval of the SFC; and
- (d) the Government and the SFC have consulted the Stock Exchange of Hong Kong (SEHK) on HKFE's decision; if so, what the SEHK's views are and whether the SEHK has raised any issues warranting particular concern?

Answer:

The Hong Kong Futures Exchange (HKFE) has no plans to link with the Philadelphia Stock Exchange (PHLX) to enable the same futures product to be traded on both exchanges. The proposed linkage with PHLX announced by HKFE in March is to allow PHLX currency options to be traded at HKFE during Asian trading hours. All transactions will be cleared through and guaranteed by a clearing company in the USA. The linkage does not include Hong Kong stock-based or index-based futures contracts.

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