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## DAILY INFORMATION BULLETIN

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ISSUED BY GOVERNMENT INFORMATION SERVICES  
GARDEN ROAD, 5th-8th FLOORS, MURRAY BUILDING,  
HONG KONG. TEL.: 2842 8777

Monday, December 23, 1996

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/Disposal of .....



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GOVERNMENT OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION  
GENERAL SECRETARIAT, WING LOK YAT NEI BUILDING  
100, QUEEN'S ROAD CENTRAL, HONG KONG

Printed and published by the Government Printer, Hong Kong

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Governor's transcript at photo-call session

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The following is the transcript of what the Governor, the Rt Hon Christopher Patten, said at the photo call after meeting the SAR Chief Executive (Designate), Mr Tung Chee-hwa, at Government House today (Monday):

Governor: Mr Tung and I have had I think a good and constructive and pretty lengthy meeting. I've certainly found it extremely useful. We are intending to have further meetings from time to time as the need arises over the coming weeks and months. I know that C H will also be meeting the Chief Secretary and the Financial Secretary and other senior officials in the administration as he needs and as he sees fit. We all know, perhaps I know better than anyone what a challenging job C H has, running one of greatest cities in the world. I know that the whole community wishes him well and certainly we in the administration want to provide as much support as we reasonably can. And we will be discussing the precise details and precise mechanisms of that in the coming weeks and months. But it was a good and useful meeting. And I think we both now deserve a Christmas break, particularly C H as he has to work rather harder than I have.

End

New membership of Governor's Business Council

\* \* \* \* \*

The Government announced today (Monday) the new membership of the Governor's Business Council.

The Governor has re-appointed all of the current members of the Governor's Business Council for six months from 1 January 1997 to 30 June 1997 upon expiry of their current term on 31 December 1996.

"In the past four years, the Governor's Business Council has discussed a wide range of issues which have an impact on the economy and the conduct of business in Hong Kong," a Government spokesman said.

"The topics discussed in the 1994-96 term of the Council include harbour reclamation, importation of labour, intellectual property rights, Hong Kong's participation in the Singapore Ministerial Conference of the World Trade Organization, Hong Kong's Individual Action Plan for Asia-Pacific Economic Cooperation (APEC), territorial development strategic review, terminal handling charges, and Consumer Council's various competition study reports.

"The candid views offered by members of the Council have been very helpful in enabling the Governor and senior officials represented on the Council to appreciate the business sector's perspectives on all these issues," he said.

The Governor's Business Council was established in October 1992 to expand the range of advice available to the Governor on how to maintain Hong Kong's business friendly environment and on the impact of government policies on the conduct of business in Hong Kong.

The re-appointed members of the Council are: Mr Christopher Cheng Wai-chee, Dr Edgar Cheng Wai-kin, Mr Paul Cheng Ming-fun, Mr Linus Cheung Wing-lam, Dr Victor Fung Kwok-king, Mr Walter Kwok Ping-sheung, Mr Charles Lee Yeh-kwong, Sir Quo Wei Lee, Mr Victor Li Tzar-kuoi, Mr Vincent Lo Hong-sui, Mr Alasdair G Morrison, Mr Walter J Sousa, Mr Peter D A Sutch, Mr Allan Wong Chi-yun, Mr David Wong Shou-yeh, Mr Louis Wong Kar-chit, Mr Peter Woo Kwong-ching, Mr Gordon Wu Ying-sheng and Mr Larry Yung Chi-kin.

The Chief Secretary, Financial Secretary and Secretary for Trade and Industry are official members of the Council.

End

#### ExCo endorses Human Reproductive Technology Bill

\* \* \* \* \*

The Executive Council has endorsed the Human Reproductive Technology Bill which provides for the regulation of human reproductive technology in Hong Kong.

A Government spokesman said today (Monday) that the Bill would put in place statutory measures to ensure that human reproductive technology would be safely practised and the rights of those involved protected.

Under the proposed Bill, a statutory Council on Human Reproductive Technology will be established to be responsible for licensing of providers of reproductive technology services and persons conducting embryo research as well as monitoring their compliance with operational guidelines in a code of practice.

The Council will also keep in view new developments in human reproductive technology and advise the Secretary for Health and Welfare on the need for any further regulation; prepare and maintain a non-statutory code of practice which human reproductive technology service providers must comply with as a condition of being allowed to operate; and keep information about donors and persons for whom human reproductive technology procedures are provided in a register. Persons aged 16 and above will be able to access non-identifying information contained in the register.

The spokesman said the Bill would prohibit sex selection through human reproductive technology for non-medical reasons. But its use for medical reasons will be allowed subject to control, he added.

The Bill also prohibits commercial surrogacy and trading in gametes/embryos or fetal ovarian/testicular tissues. The provision of human reproductive technology services to persons who are not married to each other is prohibited, except in circumstances specified in regulations.

The Bill has taken into account views expressed in three public consultation exercises and advice from the Provisional Council on Reproductive Technology, which was established in 1995 to advise the Government on the drafting of legislation and a code of practice.

The Bill will be gazetted on January 3, 1997 and introduced into the Legislative Council on January 15, 1997.

End

#### Hercules Accident Investigation Report

\* \* \* \* \*

The Government announced today (Monday) the completion of the investigation into the crash of a Lockheed Hercules aircraft at Kai Tak airport on September 23, 1994 and the publication of the accident investigation report.

The crash, which occurred shortly after take-off, resulted in the death of six crew members out of the total of 12 on board.

The investigation report concludes that the most likely cause of the accident was a malfunction affecting one of the aircraft's four propellers shortly after take-off.

The propeller blades entered a fine-pitch configuration which caused a loss in lift and extremely high drag resulting in a loss of aircraft control.

The investigation revealed that the most likely cause of the propeller entering this mode, which is only used for taxiing, was a failure of the throttle cable system.

The purpose of an accident investigation report is to determine, as far as possible, the precise cause of the accident and to recommend measures to prevent a re-occurrence.

In this case, having identified the most likely cause of the accident, the report contains nine safety recommendations. Six of these recommendations are for improvements to operational and maintenance procedures by the aircraft operator, Pelita Air Service; two of the recommendations concern the aircraft manufacturer's advice to aircraft operators on emergency procedures and the type of throttle cables to be used; the other recommendation is for Hong Kong Air Traffic Management to ensure that its emergency alerting list is up-to-date.

The report notes that most of the safety recommendations have been implemented by those concerned.

When the aircraft crashed it was returning to its base in Indonesia having earlier completed two flights from Hong Kong to Hanoi carrying a total of 66 Vietnamese who were being returned to Vietnam under the Orderly Repatriation Programme.

Although at the time of the crash, the aircraft was not carrying passengers, questions were asked in the media and by Legislative Councillors as to whether it was properly equipped and authorised for the carriage of passengers on the preceding flights.

At subsequent meetings of the Legislative Council Panel on Economic Services, Government officials explained that aircraft of the type which crashed had completed a total of 31 flights to repatriate Vietnamese migrants between 1991 and 1994, and that before the series of flights began, the Government had received written confirmation from the Indonesian authorities that the aircraft were approved for international passenger transportation.

The Indonesian Minister of Communications had also reconfirmed in writing that the aircraft in question was indeed approved and certified properly for international carriage of passengers under Indonesian Civil Aviation Regulations.

Also at meetings of the Legislative Council Economic Services Panel last year, Members requested access to an internal Civil Aviation Department document which raised concerns in relation to the documentation on the aircraft and its safety features.

At that time, the Government undertook to produce this document after completion of the official accident investigation. In line with that undertaking, Members of the Legislative Council Panel have been provided with copies of the document concerned, together with the Civil Aviation Department's comments on the points of concern which it raised.

A Government spokesman stressed that this document was not the formal investigation report, but merely an internal working document prepared a matter of days after the accident.

Experts from the International Civil Aviation Organisation (ICAO) Legal Bureau and the UK Department of Transport had advised the Panel that the responsibility for ensuring continuing airworthiness of an aircraft was a matter for the State of Registry. They were satisfied that the investigation in question was being conducted in a diligent, professional and expeditious manner.

The Coroner has decided that there should be an inquest into the deaths of the six crew members, and this will be held in March 1997. The Accident Investigation Report and all other information and documents which may be relevant will be passed to the Coroner.

Copies of the Accident Investigation Report are on sale at the Government Publications Centre.

End

Government not to appeal against judgment on AECS case

\* \* \* \* \*

The Government has decided not to appeal against the judgment handed down by the Court of Appeal on November 22, 1996 on the appeal by the Association of Expatriate Civil Servants (AECS) and the cross appeal by the Government on various measures to implement the Government's localisation policy.

"The decision has been made after very careful consideration of independent legal advice and that from the Attorney General's Chambers, of the implications of the judgment, and of the interests of all parties involved," a Government spokesman said today (Monday).

"The Government has been advised that there was no reasonable chance of success in a further appeal on any of the main issues. It would not be prudent for the Government to appeal when it clearly knows that the chance of success is very slim. This would only prolong the uncertainties faced by agreement officers, both local and overseas, over our appointments policy. The Government would also be faced with larger claims if we lost again," he said.

The spokesman emphasised that the long standing localisation policy would remain a central plank of the Government.

He also emphasised the continuing importance of an ability to communicate effectively in Chinese and that Chinese language ability would continue to be given significance in appointments, renewal of contracts and promotion. The Government would also continue with the opening up arrangements, currently in place for renewal of agreements on local terms, which had been upheld by the judgment.

The spokesman noted that the Government would now work closely with all the parties involved to give effect to the judgment in a way that was fair to all.

"It will take some time to work out the practical details flowing from some of the decisions," he said. "We have a lot of work to do, and look forward to the cooperation of the staff sides in this."

The spokesman said that the Government was keenly aware of the high emotions this case had raised. He hoped that now that final decisions had been made, all parties could work together to find workable solutions that would maintain the stability and integrity of the civil service.

End

#### Governor approves Judge Caird's application for retirement

\* \* \* \* \*

A Government spokesman announced today (Monday) that the Governor has, on the advice of the Acting Chief Justice, approved His Honour Judge Caird's application for early retirement on medical grounds.

"This decision was taken in the light of the report of the Medical Board set up in October," said the spokesman. "In the circumstances, the Governor has decided that no purpose would be served by proceeding with the appointment of a judicial tribunal to consider whether Judge Caird should be removed from office."

End

## Faster processing of land exchanges and lease modifications

\* \* \* \* \*

The Lands Department has issued a Practice Note to authorised persons, surveyors and solicitors advising them of the new procedures adopted by the department to expedite the processing of land exchange and lease modification applications, the Director of Lands, Mr Bob Pope, said today (Monday).

"The new procedures, which are already in place, will help to shorten the time taken to process these applications and to make the decision-making process more open and accountable," he said.

One of the new procedures is that the Lands Department will issue a letter within a month to an applicant informing him of the proposed documentation and, where possible, the estimated date for offering the basic terms.

For complex and major cases, the applicant may be invited to attend the District Lands Conference (DLC), which is a departmental conference to determine the appropriate special conditions and basic terms, to answer questions and provide clarification, where necessary.

As for simple or straightforward cases, the applicant will be offered, wherever possible, the basic terms (excluding the premium) within 14 days from the date of approval by the DLC. The applicant will then have 14 days to decide if he will accept these basic terms. He will also be advised in the basic terms letter of the estimated date when an offer of premium will be made.

On assessment of premium, the applicant will be invited to provide any information he considers relevant within two weeks from the date of the basic terms letter. For complex cases where there is a request for review of the premium, the Registered Professional Surveyor representing the applicant may be invited to present his case to a Valuation Conference.

To save time on plan preparation, the applicant should assist by supplying copies of site plans, where practicable, to enable early circulation of his application to relevant government departments for comments. He should also clearly outline the terms of variations, such as proposed user, maximum gross floor area, site coverage, proposed number of storeys and building heights, to assist in the drafting of the appropriate lease conditions.

These new arrangements are part of our continuing efforts in improving our services to the community in line with the Financial Secretary's "Helping Business" programme, said Mr Pope.

"We appointed a management consultant in May this year to review our procedures for processing land exchange and lease modification applications.

"After extensive consultations with the Lands Department, concerned government departments, professionals in the private practice and major property institutions, the consultants completed their study and submitted a report recommending a series of measures in mid-August.

"Most of the recommendations can be dealt with in-house and the issue of the Practice Note in October this year was the first step taken to speed up the processing procedures.

"As for those aspects which require additional resources, such as employment of consultants to verify costs that may be deductible from premium assessment and training on the application of computers to our work, we will discuss with the policy branches and other government departments on how they can be taken up," said Mr Pope.

End

#### Residential mortgage survey results for November

\* \* \* \* \*

Residential mortgage loans for the purchase of properties in Hong Kong continued to grow rapidly in November, according to the results of the latest monthly survey conducted by the Hong Kong Monetary Authority (HKMA).

The latest figures show that the total amount of outstanding mortgage lending by the 33 institutions in the survey rose by 1.8% in November (2% in October) to \$319.9 billion. (The percentage change has been adjusted to allow for the reclassification of loans by an institution amounting to \$0.4 billion during the month). The growth rate is higher than the monthly average of 1.5% over the last twelve months.

New loans approved during the month is the highest since the survey was first conducted in December 1992. However, the effect of this was offset by a corresponding increase in the amount of repayments which rose by 18.2% to \$11.2 billion in November.

"These figures reflect the revival of refinancing of existing mortgages as well as demand for new mortgages arising from the continued buoyant residential property market in October," said the Acting Deputy Chief Executive of HKMA, Mr Raymond Li.

The annualised rate of growth in lending over the last three months increased to 20.1% from 14.7% in the three-month period to October. The twelve-month average of outstanding loans showed an annualised growth rate of 17.6%, compared with 17% in October.

"The increase in lending in November follows the sharp upward movement in October. Prior to then the growth in lending had been on a declining trend for some months. At the same time, property prices, particularly those at the upper end of the market, have risen sharply in recent weeks and there are signs of renewed speculative activity.

"In this environment, institutions need to exercise additional care in relation to their property exposure. They should look critically at their lending criteria, particularly in relation to the more expensive properties where the speculation has been most evident.

"As an overall policy, institutions should adhere strictly to the 70% loan to value ratio in respect of their own lending exposure and should avoid arrangements which circumvent this ratio.

"A lower ratio than 70% will normally be appropriate for more expensive properties, and the valuation of such properties should be carefully examined.

"Institutions should also have regard to the debt-servicing ratio of the borrower and whether the property in question is to be owner-occupied or is being acquired for investment purposes. The HKMA will continue to monitor the situation closely," said Mr Li.

The amount of new loans approved but not yet drawn further increased over the already high base by \$2.3 billion (20.2%) to \$13.8 billion in November. "These figures, coupled with the increased activity in both the primary and secondary markets in November, suggest that residential mortgage loans are likely to continue to grow at a rapid rate in December," said Mr Li.

The amount of residential mortgage loans associated with co-financing schemes accounted for 3.8% of total mortgage lending of the 33 surveyed institutions at end-November. Of the \$20.8 billion new loans approved during November, about 83.5% were accounted for by properties aged 15 years or below.

Lending for the purchase of properties in China increased by 1.1% to \$6 billion in November. Gross loans made in November decreased both in number (to 178 from 348) and in amount (to \$161 million from \$216 million). New loans approved in November also decreased both in number (to 246 from 319) and in amount (to \$273 million from \$286 million).

End

### Consumer Price Indices for November

\* \* \* \* \*

In November 1996, consumer price inflation picked up modestly, but was still relatively moderate. As measured by the Consumer Price Index (A), the year-on-year rate of increase was 5.8% in November 1996. The increase recorded in October was 5.4%.

The year-on-year rate of increase in the Consumer Price Index (B), at 6.1% in November, was also higher than the 5.8% increase in October. The corresponding rate of increase in the Hang Seng CPI, at 5.8% in November, was however less rapid than the 6% increase in October.

The Composite CPI, which is compiled based on the combined expenditure pattern of all households, showed a year-on-year increase of 5.9% in November 1996, against 5.7% in October.

The Census and Statistics Department today (Monday) released the Consumer Price Index (CPI) figures for November 1996.

A Government spokesman said that the faster year-on-year increases in the CPI(A) and CPI(B) in November than in October were mainly due to higher prices of some fresh food items.

As for the Hang Seng CPI, the less rapid increase in November than in October was mainly due to a more moderate increase in prices of meals bought away from home.

Analysed by component, faster year-on-year increases than the overall average in November were recorded for clothing and footwear (11.2% in CPI(A) and 9.6% in Composite CPI); housing (8.2% in CPI(A) and 8.5% in Composite CPI); fuel and light (7.9% in both CPI(A) and Composite CPI) and miscellaneous services (6.8% in CPI(A) and 6.2% in Composite CPI).

Meanwhile, those components with slower year-on-year increases in prices than the overall average were durable goods (1.7% in CPI(A) and 2% in Composite CPI); food (excluding meals bought away from home) (3.4% in CPI(A) and 3.5% in Composite CPI); meals bought away from home (3.7% in CPI(A) and 3.4% in Composite CPI) and miscellaneous goods (4.2% in CPI(A) and 3.4% in Composite CPI).

Comparing November 1996 with October 1996, the CPI(A) and CPI(B) increased by 0.3% and 0.4% respectively. The corresponding increases for the Hang Seng CPI and Composite CPI were 0.5% and 0.4% respectively.

Taking the first eleven months of 1996 together, the increases in the CPI(A) and CPI(B) averaged at 5.9% and 6.4% respectively over a year earlier. The corresponding increases in the Hang Seng CPI and Composite CPI were 6.6% and 6.3% respectively.

For the three months ended November 1996, the CPI(A) and CPI(B) were, on average, higher by 5.5% and 5.9% respectively over a year earlier. The corresponding increases for the Hang Seng CPI and Composite CPI were 5.8% and 5.7% respectively.

For the 12 months ended November 1996, the CPI(A) and CPI(B) were, on average, higher by 6% and 6.4% respectively than the preceding 12-month period. The corresponding increases for the Hang Seng CPI and Composite CPI were 6.6% and 6.3% respectively.

The seasonally adjusted monthly rates of increase in both the CPI(A) and CPI(B) averaged at 0.6% during the three months ended November 1996. The corresponding increases for the Hang Seng CPI and Composite CPI were 0.5% and 0.6% respectively.

Further details are shown in Tables 1-2 and Charts 1-4.

More details are given in the "Consumer Price Index Report" for November 1996, which is available at \$37 per copy from the Government Publications Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway, Hong Kong; or from the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong. For local and overseas mailings, contact should be made with the Information Services Department, 28th floor, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong.

For enquiries about the indices, please telephone the Consumer Price Index Section of the Census and Statistics Department on 2805 6403.

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Table 1 Consumer Price Indices and Rates of Increase for November 1996  
(Oct. 94 - Sep. 95 = 100)

Component	CPI(A)		CPI(B)		Hang Seng CPI		Composite CPI	
	Index for Nov. 96	% change over Nov. 95	Index for Nov. 96	% change over Nov. 95	Index for Nov. 96	% change over Nov. 95	Index for Nov. 96	% change over Nov. 95
Food	106.2	+3.6	106.4	+3.4	105.4	+2.9	106.2	+3.4
Meals bought away from home	107.1	+3.7	106.8	+3.4	105.2	+2.5	106.7	+3.4
Food, excluding meals bought away from home	105.0	+3.4	105.6	+3.6	105.9	+3.7	105.3	+3.5
Housing	115.3	+8.2	115.9	+8.3	118.3	+9.2	116.5	+8.5
Fuel and light	109.6	+7.9	109.3	+7.8	109.7	+8.2	109.5	+7.9
Alcoholic drinks and tobacco	109.3	+5.8	109.6	+5.8	109.2	+5.5	109.3	+5.7
Clothing and footwear	120.0	+11.2	121.6	+12.2	116.3	+5.0	119.5	+9.6
Durable goods	104.3	+1.7	104.7	+2.3	105.0	+1.7	104.7	+2.0
Miscellaneous goods	108.5	+4.2	107.3	+3.6	105.6	+2.1	107.3	+3.4
Transport	109.9	+6.1	109.6	+5.9	108.6	+5.6	109.4	+5.9
Miscellaneous services	112.6	+6.8	111.3	+6.4	108.9	+5.5	110.9	+6.2
All items	110.3	+5.8	111.0	+6.1	111.5	+5.8	110.9	+5.9

Monthly consumer price indices are compiled on the basis of (a) expenditure patterns of relevant households and (b) prices collected currently in the month. The expenditure patterns underlying the 1994/95-based consumer price indices are based on those patterns derived from the 1994/95 Household Expenditure Survey. The CPI(A) is based on the expenditure pattern of about 50% of households in Hong Kong, which had an average monthly expenditure of \$4,000-\$15,999 in 1994/95. The CPI(B) is based on the expenditure pattern of the next 30% of households, which had an average monthly expenditure of \$16,000-\$29,999 in 1994/95. The Hang Seng CPI is based on the expenditure pattern of the next 10% of households, which had an average monthly expenditure of \$30,000-\$59,999 in 1994/95.

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

Table 2 Consumer Price Indices and Year-on-year Rates of Change for  
October 1995 - November 1996  
 (Oct. 94 - Sep. 95 = 100)

Year/month	CPI(A)		CPI(B)		Hang Seng CPI		Composite CPI		
	Index	Year-on-year rate of change (%)	Index	Year-on-year rate of change (%)	Index	Year-on-year rate of change (%)	Index	Year-on-year rate of change (%)	
1995	October	104.3	8.0	104.5	8.4	104.7	8.7	104.5	8.4
	November	104.3	7.8	104.7	8.1	105.4	8.2	104.7	8.1
	December	103.9	6.4	104.6	7.2	104.9	7.2	104.5	7.0
1996	January	104.1	5.8	104.8	6.6	105.1	7.3	104.7	6.5
	February	105.4	6.4	105.9	7.0	105.7	7.5	105.7	6.9
	March	106.1	6.5	106.4	7.0	106.3	7.5	106.3	7.0
	April	107.3	6.8	107.8	7.0	107.5	7.1	107.6	7.0
	May	107.1	6.1	107.9	6.6	108.5	6.9	107.8	6.5
	June	107.8	6.1	108.3	6.4	109.1	6.6	108.4	6.4
	July	108.0	6.1	108.5	6.4	108.6	6.2	108.4	6.2
	August	108.2	4.9	108.7	5.5	108.9	5.9	108.6	5.4
	September	109.6	5.2	109.9	5.9	109.7	5.6	109.7	5.6
	October	109.9	5.4	110.6	5.8	110.9	6.0	110.5	5.7
	November	110.3	5.8	111.0	6.1	111.5	5.8	110.9	5.9

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

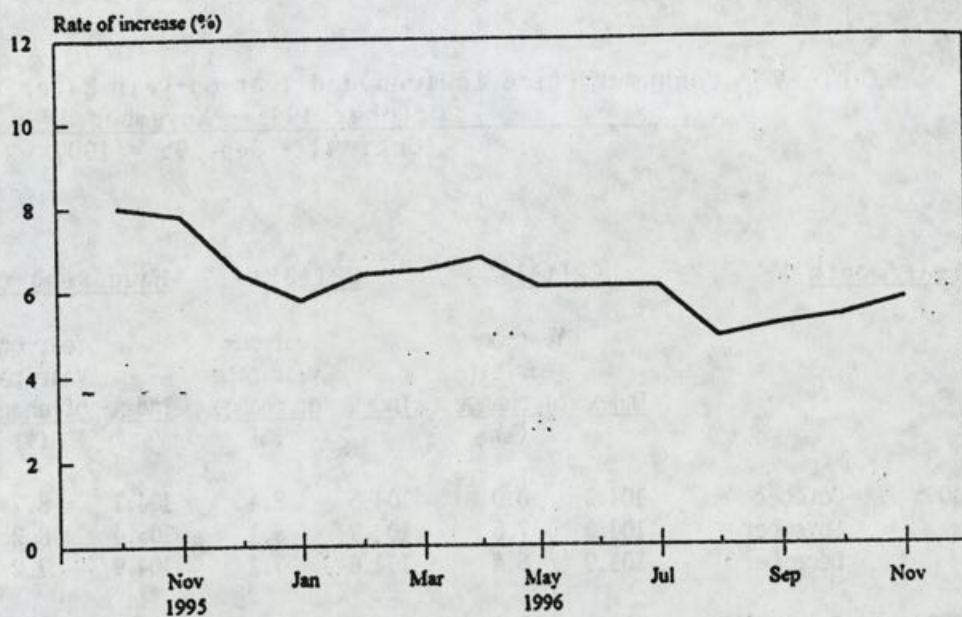


Chart 2 Year-on-year Rates of Increase  
in CPI(B)

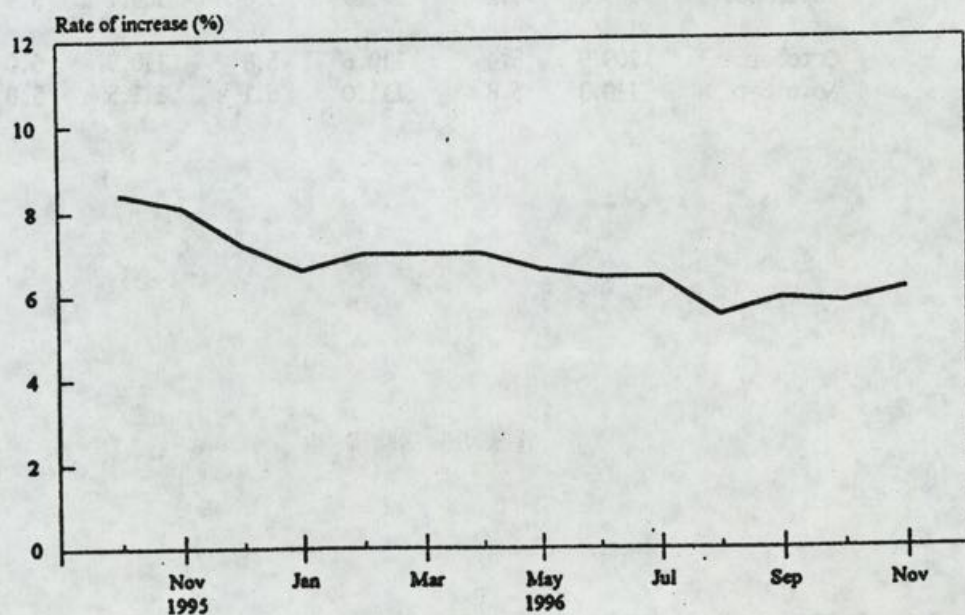


Chart 3 Year-on-year Rates of Increase  
in Hang Seng CPI

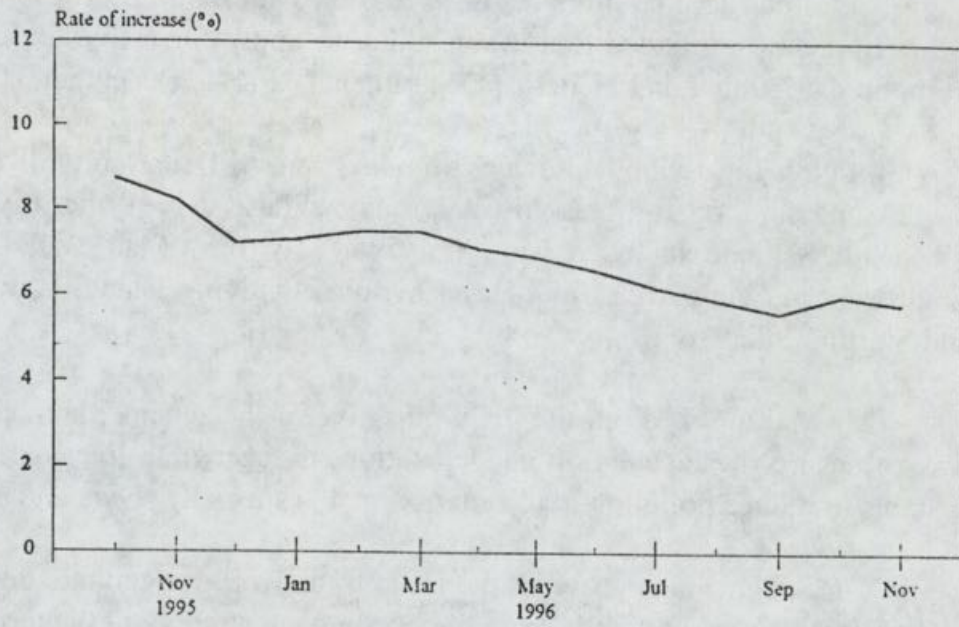
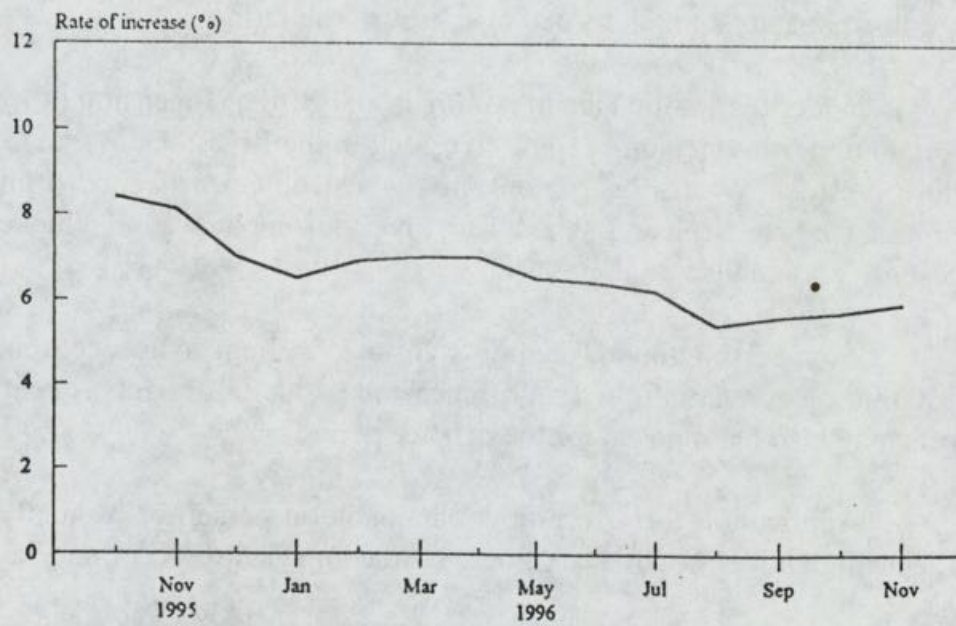


Chart 4 Year-on-year Rates of Increase  
in Composite CPI



End

### Livestock keepers reminded to apply for licence

\* \* \* \* \*

Livestock farmers in San Tin Area, Lau Fau Shan Environs and other areas in the territory are reminded that the deadline to apply for a livestock keeping licence from the Agriculture and Fisheries Department (AFD) is December 31, 1996.

Issuing the reminder today (Monday), an AFD agricultural officer, Mr Mak Kwok-sun, said other areas affected under Phase III of the Livestock Keeping Licensing Scheme included Tin Shui Wai Environs, Mau Wu Tsai Village and Environs, Sai Kung Area, Junk Bay Environs, Outlying Islands, Long Harbour Area and Starling Inlet Area.

Mr Mak pointed out the main objective of the scheme, launched in July 1994, was to ensure the installation and operation of acceptable livestock waste treatment systems to reduce pollution to the environment, especially rivers and streams.

The scheme also provides the basic framework to facilitate development of the livestock industries within the overall development strategy of the territory, he said.

Mr Mak was pleased to note that the response to Phase I and II of the scheme had been encouraging, with 760 applications received so far.

Turning to the livestock keeping licence, he stressed that it would be valid for three years. The current licence fees range from \$750 to \$4,500 and are based on the holding capacity and the roofed over area of the farm.

Under the Public Health (Animals and Birds) (Licensing of Livestock Keeping) Regulations, any person keeping livestock in the Livestock Waste Control Areas or in the Livestock Waste Restriction Areas must obtain a licence from AFD within the time set in the licensing schedule. Livestock include pigs, chickens, ducks, geese, pigeons and quails.

Any person found keeping livestock without a licence could be fined up to \$50,000 on conviction for first offence and \$100,000 for subsequent offences. A daily fine may also be imposed for the offence period.

Application forms are now obtainable in person or by mail from AFD's Farm Licensing Unit at Castle Peak Poultry Breeding Centre, Kei Lun Wai, Tuen Mun.

They may also be obtained from AFD headquarters on 12th floor of Canton Road Government Offices, Ta Kwu Ling Pig Breeding Centre in Ping Che, as well as district agricultural offices in Yuen Long and Tai Po Government Offices.

Further enquiries can be directed to the Licensing Unit on 2462 7422 or 2462 7443.

End

#### 223 applications for Industrial Support Fund received

\* \* \* \* \*

A total of 223 applications for the Industrial Support Fund (ISF) for the 1997/98 financial year had been received at the closing date on December 2.

Subject to the approval of the Legislative Council, the provision for ISF in 1997-98 would be around \$300 million. Of this amount, some \$90 million have been committed to on-going projects approved in the previous three years. This leaves about \$210 million for new projects commencing in 1997-98.

Most of the 223 projects proposed will last two or three years, and the amount requested is \$850 million. The amount requested in 1997-98 is \$428.5 million.

Same as last year, the bulk of applications came from the tertiary institutions, with 172 applications or 77 per cent of the total. The rest were from industry support bodies, professional bodies, research institutes, as well as trade and industry organisations.

Broken down according to industrial sectors, the applications fell into seven categories. The biotechnology category tops the list with 88 applications, followed by the general technology category (54 applications), electronics (29 applications), information technology (20 applications), plastics (nine applications), metals (eight applications), and textiles and clothing (15 applications).

Announcing this today (Monday), the Assistant Director-General of Industry, Ms Annie Choi, said she was satisfied with the large number of applications received. A series of meetings would be held by the sector specific committees under the Industry and Technology Development Council (ITDC) in February and March 1997 to consider the applications, which would then be examined by a special Projects Vetting Committee before submission to the ITDC for approval. The result of the vetting exercise would be announced in May.

On the funding criteria, she said: "The main criterion adopted by the ITDC is whether the application is 'market-driven', that is, whether there is a genuine need in the relevant industrial sector for the deliverables of the proposed project. Projects eligible for funding support should be able to contribute to the overall industrial or technological development of Hong Kong and to the competitiveness of Hong Kong's manufacturing industries."

Since the introduction of ISF in 1994, 211 projects have been given funding support. Of these, 34 have been completed and the rest are progressing satisfactorily. All funded projects are monitored closely by the Industry Department and the sector specific committees of the ITDC.

End

Two "Year of the Ox" philatelic items sold out

\* \* \* \* \*

Two "Year of the Ox" philatelic items, the Souvenir Packs and Special Covers, have been sold out from advance orders.

The philatelic collection set has been jointly launched by the Agriculture and Fisheries Department and the World Wide Fund for Nature Hong Kong (WWF HK).

An WWF HK spokesman said that because of the overwhelming response, the Souvenir Packs and Special Covers will not be available in the WWF HK's Panda Shop on January 25 as scheduled.

However, as there is still a limited quantity of Postcards and Normal Covers, those interested are advised to place an advance order as soon as possible, he said.

These will also be on shop sale from December 28 (Saturday) at WWF HK Office at 1 Tramway Path, Central while stock last.

Further enquiries on these philatelic items can be made to WWF HK's Trading Department on 2526 1011 or by fax 2845 2734.

End

Disposal of Royal Navy patrol craft

\* \* \* \* \*

The British Embassy in the Philippines yesterday (December 22) announced that the Philippines Government has written to the British Secretary of State for Defence declaring her intention to acquire, subject to negotiation, the three Royal Navy patrol craft of the Hong Kong Squadron.

The Royal Navy Hong Kong Squadron, based at HMS Tamar on Stonecutters Island, consists of three Peacock class patrol craft: HMS Peacock, HMS Plover and HMS Starling. All were built by Hall Russell Limited in Aberdeen, Scotland.

The ships were specially designed for patrol duties in Hong Kong waters and, in addition to being fitted for tropical service, have the ability to stay at sea during typhoons.

The vessels are constructed of steel and aluminium and are 63 metres long and 10 metres in the beam. They have a gross tonnage of 763 tonnes, and are driven by two Crossley/Pielstick engines which can give a top speed in excess of 25 knots. They are armed with a single 76mm Oto Melara Gun, and four machine guns.

The ships, which have a complement of 33 officers and men, were accepted into service in the early 1980s, and have served in Hong Kong since 1984.

The three ships of the Royal Navy Hong Kong Squadron will remain on duty in Hong Kong waters right up until the handover on June 30, 1997, after which they will be available for sale.

The Hong Kong Government, which has funded 75 per cent of the ships' costs, will receive 75 per cent of the sale revenue. The British Government will receive the remaining 25 per cent.

End

**Tunnels to remain fully open during holidays**

\* \* \* \* \*

The Transport Department announces today. (Monday) that the five Government tunnels will remain fully open during the coming Christmas and New Year holiday periods.

A spokesman for the department said from December 25 to 26 and on January 1, 1997, no tunnel tubes would be closed for maintenance and the radio broadcast of safety measures would be stepped up.

He added that there would be additional control and safety measures on tunnel operations during the holidays.

The five Government tunnels are: Aberdeen Tunnel, Lion Rock Tunnel, Airport Tunnel, Shing Mun Tunnels and Tseung Kwan O Tunnel.

The spokesman said operators of the three private tunnels - Cross Harbour Tunnel, Tate's Cairn Tunnel and Eastern Harbour Tunnel - would take the same measures as far as they could possibly arrange.

He said motorists also had a part to play in avoiding accidents inside tunnels by observing the following safety guidelines:

- \* Do not follow too close to the vehicle in front;
- \* Observe the speed limit;
- \* Keep in lane;
- \* Observe traffic ahead;
- \* Use dipped headlights;
- \* Avoid wearing earphones or using mobile telephones when driving; and
- \* Do not drink any alcohol before and/or when driving.

The spokesman urged motorists to drive with care and patience when driving inside tunnels or on open roads.

End

**ACP Exhibition Centre to close during Christmas holidays**

\* \* \* \* \*

The Airport core Programme (ACP) Exhibition Centre in Ting Kau, the New Territories, will close during the Christmas holidays on Wednesday and Thursday.

It will also close on New Year's day and during the Lunar New Year holidays from February 6 to 8, 1997.

After these holidays, the exhibition centre will open as usual from 10 am to 5 pm from Tuesday to Friday, and 10 am to 6.30 pm on Saturdays, Sundays and public holidays. But it will close on Monday, except it is a public holiday.

End

**Advanced welfare payment for Christmas holidays**

\* \* \* \* \*

Recipients of Comprehensive Social Security Assistance (CSSA) under the bank payment system will receive their payments tomorrow (December 24) if their pay days fall on the coming Christmas holidays (December 25 and 26).

"Special payment arrangements will also be made for recipients of Social Security Allowance whose pay days fall within this period," a Social Welfare Department spokesman said today (Monday).

"Those who have bank accounts in Hongkong Bank or Hang Seng Bank can receive their payments on December 24 whereas those with accounts in other banks will get their payments on December 27," he added.

In case of doubt, recipients are advised to contact their respective social security field units.

End

**New offices for Non-local Courses Registry**

\* \* \* \* \*

The Education Department's Non-local Higher and Professional Education Courses Registration Section will move into new offices this week.

From tomorrow (Tuesday), the Section will operate from new offices at Room 801, eighth floor, Tai Sang Commercial Building, 24-34 Hennessy Road, Wan Chai, Hong Kong and be renamed as Non-local Courses Registry.

The Registry will be manned by a Senior Education Officer (SEO) and an Education Officer (EO), and supported by clerical staff. Their telephone/fax numbers will be:

<u>Title</u>	<u>Officer Name</u>	<u>Tel. No.</u>
SEO	Mrs Kitty Cheung	2520 0252
EO	Mr Chung Wai-kwong, Geoff	2520 0253
Fax		2520 0061

The Section was set up in connection with the Non-local Higher and Professional Education (Regulations) Ordinance, which seeks to safeguard the interests of local students enrolling in non-local courses. The Ordinance was enacted in July 1996 and will come into effect on a date to be published in the Government Gazette.

The Ordinance will require operators of non-local courses to register with the Education Department or to seek exemption from registration.

Course operators or members of the public who wish to make enquiries about the new Ordinance may approach the Registry for assistance.

End

### Quarterly survey of employment and vacancies

\* \* \* \* \*

The Census and Statistic Department has just started the Quarterly Survey of Employment and Vacancies to collect data on employment and vacancies in major sectors of the economy in respect of December 1996.

This survey is conducted quarterly and the survey results are useful in serving as short-term economic indicators and providing information on the latest changes in the labour market.

For this round of the survey, questionnaires are being mailed to about 60,000 sampled establishments. They were drawn from various sectors including the industrial sector (mining and quarrying; manufacturing; electricity and gas), the distributive trades sector (wholesale, retail and import/export trades, restaurants and hotels) and the services sector (transport, storage and communications; financing, insurance, real estate and business services; community, social and personal services).

Information on number of persons engaged and vacancies as at December 31, 1996 will be sought from each sampled establishment.

In accordance with the Census and Statistic (Quarterly Survey of Employment and Vacancies) Order, these establishments are required to complete and return the questionnaires to the Census and Statistics Department within the specified period. If they have difficulties in completing the questionnaires, they may contact the department for assistance on 2582 5076.

End

### Feature articles in monthly statistical digest

\* \* \* \* \*

Two feature articles entitled "Labour Productivity in Hong Kong's Manufacturing Industries, 1982 - 1994" and "Summary Results of the 1996 Population By-census" are published in the December 1996 issue of the Hong Kong Monthly Digest of Statistics, which is now on sale.

The labour productivity index (LPI) is compiled by relating an output index to an index of labour input. The LPI for an industry in a year therefore reflects the change in output of that industry over the base year, after discounting the effect of different amounts of labour input in the two periods. From another angle, it reflects the change in output per unit labour input.

The labour productivity indices for the major manufacturing industries have been published in earlier issues of the Monthly Digest of Statistics. The article "Labour Productivity in Hong Kong's Manufacturing Industries, 1982 - 1994" updates the position of the labour productivity indices for the major manufacturing industries and highlights the relevant factors affecting their variations.

The article "Summary Results of the 1996 Population By-census" presents salient features and trends of the population of Hong Kong based on the results of the 1996 Population By-census conducted in March 1996. Socio-economic characteristics such as population size and structure, educational attainment, housing conditions, household income and place of work are highlighted in the article.

The December 1996 issue of the Hong Kong Monthly Digest of Statistics is now on sale at \$50 a copy. In addition to the two feature articles, it contains the most up-to-date information on Hong Kong's development regarding economic growth, labour market, inflation and many other social and economic issues.

Purchase of this publication can be made at the Government Publications Centre, ground floor, Low Block, Queensway Government Offices, 66 Queensway, Hong Kong. The publication is also available for sale at the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong. Regular subscription can also be arranged with the Publications Sales Office of the Information Services Department on 2598 8196.

End

#### Water storage figure

\* \* \* \* \*

Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 85.3 per cent of capacity or 499.652 million cubic metres.

This time last year the reservoirs contained 519.753 million cubic metres of water, representing 88.7 per cent of capacity.

End

Hong Kong Monetary Authority tender notice

\*\*\*\*\*

Tenders to be held in the week beginning - 30 Dec 1996

Tender date : 31 December 1996  
Paper on offer : EF Bills  
Issue number : Q701  
Issue date : 2 January 1997  
Maturity date : 2 April 1997  
Tenor : 90 Days  
Amount on offer : HK\$2,000 MN + 500 MN

\*\*\*\*\*

Tender date : 31 December 1996  
Paper on offer : EF Bills  
Issue number : H755  
Issue date : 2 January 1997  
Maturity date : 3 July 1997  
Tenor : 182 Days  
Amount on offer : HK\$1,000 MN + 300 MN

\*\*\*\*\*

Tender date : 31 December 1996  
Paper on offer : EF Bills  
Issue number : Q065  
Issue date : 2 January 1997  
Maturity date : 29 January 1997  
Tenor : 27 Days  
Amount on offer : HK\$5,000 MN

End

Hong Kong Monetary Authority interbank liquidity

\* \* \* \* \*

		TIME	AGGREGATE BALANCE OF SETTLEMENT ACCOUNTS
OPENING AGGREGATE BALANCE	933 MN	0930 HR	13,084 MN
CLOSING AGGREGATE BALANCE	977 MN	1000 HR	22,583 MN
CHANGE ATTRIBUTABLE TO :		1100 HR	26,682 MN
MONEY MARKET ACTIVITY	-38 MN	1200 HR	29,811 MN
LAF REVERSAL	+7,467 MN	1500 HR	29,765 MN
LAF TODAY	- 7,385 MN	1600 HR	29,634 MN

LAF RATE 4.00% BID/6.00% OFFER TWI 125.0 \*\*+0.0\* 23.12.96

Hong Kong Monetary Authority

EF Bills		EF Notes/MTRC Notes				
Terms	Yield	Terms	Issue	Coupon	Price	Yield
1 week	4.35	2 years	2811	5.72	100.19	5.69
1 month	4.34	3 years	3910	6.28	100.66	6.11
3 months	4.54	5 years	5112	6.57	99.52	6.80
6 months	4.77	7 years	7311	6.80	99.00	7.11
12 months	5.08	10 years	1610	7.37	101.03	7.35
		5 years	M503	7.35	101.58	7.06

TOTAL TURNOVER OF EF BILLS AND NOTES - \$8,176 MN

CLOSED DECEMBER 23, 1996

End