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## DAILY INFORMATION BULLETIN

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FS's statement at APEC Economic Leaders Meeting

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Following is a statement (English only) by the Financial Secretary, Mr Donald Tsang, on the inclusion in a time capsule sealed at the meeting of APEC Economic Leaders in Subic, Philippines today (Monday):

Three and half centuries ago, the philosopher Francis Bacon declared there were four pillars of government: religion, justice, counsel and treasure.

Hong Kong treasures four pillars, too: the rule of law, level playing field, corruption free government, and the free flow of information.

The rule of law means simply that our society operates under laws that are published for all to see and understand. People know pretty well what they can and cannot do in all spheres of life. They also know that these rules apply equally to everyone in the community. That was what Bacon meant by "justice" in the early 17th century and it remains so as I write late in the 20th.

Free enterprise on a level playing field forms the second pillar. That means the freedom to do business, protected by fair and equitable laws, and in an open market. Under the terms of the Basic Law that will pertain in Hong Kong, China recognises the importance for business of clear, reliable laws, especially the law of contract that helps to ensure people keep their word.

These activities take place under and within a civil administration that is honest, efficient, and the minimum practicable size. Hong Kong's public sector spending is about 18 per cent of its GDP – a remarkably low figure in the world's eight largest trading economy. Our civil service is generally untainted by corruption and we work hard to keep it that way. Economies in this part of the world are booming, and some people may be tempted to seek more than their fair share of the wealth we are creating. Corruption, like cancer, destroys the body from within, eating away unseen until it is too late.

That is what makes the fourth pillar so important: freedom of speech and a free flow of information. This is often described as "freedom of the press" but it relates to most business activities as well, since it is impossible to plan confidently when information is deliberately withheld from the market. A free and active news media operates like chemotherapy against the cancer of corruption. Sometimes there may be side effects that we do not welcome but these must be endured to achieve the aim of restoring a whole, well body.

When this statement again sees the light of day, 14 years from now, we will be well into the 21st century. Hong Kong's condition then will depend on how the four pillars have borne up under the changes time brings, not least, of course, the change of sovereignty.

In an effort to allay the uncertainties that always accompany change, China has committed itself to propositions under the Basic Law that will keep Hong Kong's capitalist system and way of life unchanged for 50 years. At that time, 2047, we shall be half way through what many commentators now call the "Pacific Century". As it happens, this time capsule is in the form of a treasure chest to symbolise the galleon trade between Manila and Acapulco which began in the 1600s. Francis Bacon was listing his four pillars at the same time and that, too, was a "Pacific Century" – the first of many.

Looking back from 2010, Hong Kong's success will be seen, even more clearly, as due to the strength of the four pillars supporting its economic system. With the foundations laid by successive Hong Kong governments, I believe they will bear up.

End

APEC Declaration a firm commitment to free trade

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The Financial Secretary, Mr Donald Tsang, said today (Monday) that the APEC Economic Leaders Declaration together with the endorsement of the Manila Action Plan for APEC signified a firm commitment from member economies to achieve the goal of free and open trade and investment by 2010/2020.

"Each economy has submitted an Individual Action Plan (IAP) which contained concrete proposals to bring forward the liberalisation process. The progress of the implementation of the IAPs will be reviewed continuously.

"All the commitments made in Hong Kong's IAP go beyond its Uruguay Round commitments. We shall bind tariff at zero for all items of imports by 2010," Mr Tsang said.

Speaking at the Economic Leaders Meeting, Mr Tsang emphasised that APEC should not venture into non-economic issues. He pointed out that globalisation was an irreversible phenomenon.

"Globalisation is posing new challenges to the multilateral trading system. It presents abundant opportunities," he said.

"Hong Kong has undergone major restructuring of our economy. The decline in the manufacturing sector has been more than offset by a rapid expansion in the services sector.

"Services industries now account for some 80 per cent of our GDP," he added.

"We do not adopt any interventionist policies. Instead we let market forces prevail. We give our businessmen a free hand. This nurtures their entrepreneurship, dynamism and willingness to meet new challenges.

"The Government only seeks to create a favourable environment and provide maximum infrastructural support, rather than to interfere or direct business decisions," he said.

Noting that East Asia is emerging as the principal driver of the global economy of the 21st century, Mr Tsang urged member economies to take a fresh look at the existing rules to ensure that the multilateral trading system respond to modern commercial realities.

"I am glad that the Leaders Declaration reaffirms the primacy of an open multilateral trading system based on the WTO," he said.

Mr Tsang was also delighted that reference to information technology was made in the Leaders Declaration.

During the APEC Economic Leaders Meeting, Mr Tsang held several meetings with other member economies and discussed with their Leaders on matters of mutual interest.

End

#### Consumer Council's Study Report on Competition Policy

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The Government welcomes the publication of the Consumer Council's Study Report on Competition Policy today (Monday).

"We congratulate the Consumer Council on its completion of the study," a Government spokesman said. "The Council has put in much effort in the past three years in conducting a series of studies on competition and in publishing six sector-specific study reports as well as this main study report."

The spokesman said: "The recommendations in the Report on competition policy will have significant implications for the future development of Hong Kong's economy.

"We would like to invite views and comments from the public and interested parties on the findings and recommendations of the Report.

"We will examine the recommendations in the report carefully and consider comments received with a view to publishing a Government Response in six months' time," the spokesman added.

Members of the public may send their views on the Report in writing to the Trade and Industry Branch, Government Secretariat, Hong Kong Government on eighth floor, Wing, Central Government Offices, Ice House Street, Central before January 6, 1997.

End

#### Sino-British Land Commission meeting

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The thirty-third meeting of the Sino-British Land Commission was held on 25 November 1996. The two sides reached agreement on the adjustment of this year's Land Disposal Programme and average cost of land production.

The two sides agreed to adjust the 1996/97 Land Disposal Programme. In the special requirements category, a total of 153.50 hectares will be granted, including 70.19 hectares of land for the development of Container Terminal 9, and 76.40 hectares of railway track and related facilities for the Airport Railway. In the normal requirements category, 3.66 hectares will be granted, comprising an additional 1.66 hectares for the Hong Kong Station of the Airport Railway and 2 hectares of land for residential use.

Both sides agreed that the average cost of land production for 1996/97 in Hong Kong Dollars would be \$5,480 per square metre.

End

Exercise to test the Daya Bay Contingency Plan

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The Government will conduct an exercise to test the response capability of branches and departments involved in the event of an accident occurring at the Guangdong Nuclear Power Station (GNPS), a Security Branch spokesman said today (Monday).

The exercise, involving over 30 branches and departments, will be held on December 12 and 13 with a warm-up exercise on December 2.

"The exercise will primarily be a command post exercise to practise the Government's command, control and communications during the full activation of the DBCP," the spokesman said.

"The public will in no way be affected by the exercise."

"The Hong Kong Government is fully capable of coping with even the most remote chance of an accident at GNPS," he added.

Similar exercises were conducted in November 1990 and May 1993. These exercises are conducted regularly to ensure that the relevant branches and departments are familiar with the contingency plan, and to test the workings of the plan to identify areas that can be further improved.

The spokesman said that overseas experts from the United Nation's International Atomic Energy Agency, the Emergency Committee of Guangdong Province for Nuclear Power Accident and the New South Wales Emergency Service had agreed to take part in the exercise as observers.

After the exercise, the Exercise Planning Team in Security Branch will conduct an evaluation of the exercise.

End

Rights report made public

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The United Kingdom Government's fourteenth periodic report on Hong Kong under the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) has been sent to Legislative Councillors today (Monday). It will be formally tabled in the Legislative Council on Wednesday (November 27).

The report covers developments since the United Nations Committee on the Elimination of Racial Discrimination (CERD) considered the thirteenth report in March this year. It addresses the points raised in the CERD's concluding observations.

"We aim to publish a bound version for general release before the end of December. Meanwhile, photocopies of the report are available to members of the public. It can also be downloaded from the Home Affairs Branch Internet Home Page," a Government spokesman said.

"We expect that the CERD will examine the report at its 50th session in March 1997," the spokesman added.

Free copies of the ICERD report (in English and Chinese) are now available at the Marketing Office of the Information Services Department on the 17th floor, Siu On Centre, 176-192, Lockhart Road, Wan Chai.

End

Experimental project to network the elderly launched

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An inter-departmental and territory-wide social networking for the elderly project is launched today (Monday) on a trial basis for two years to supplement the formal welfare services network.

The Director of Social Welfare, Mr Andrew Leung Kin-pong, said this today at a luncheon meeting of the Association of Chairman of the Tung Wah Group of Hospitals.

He said the project was designed to identify and maintain a list of elderly persons requiring networking service in each district; and to identify service providers and volunteers to establish a network for maintaining contacts with elderly persons, providing them with support including making appropriate referrals for formal services.

"It involves the joint efforts of the Health and Welfare Branch, Social Welfare, Housing and Home Affairs departments, non-governmental organisations and interested bodies in the community such as service groups, church groups and schools," Mr Leung said.

The service would target at those aged 60 and above who were in need of social support and wished to be regularly contacted by volunteers, he said, adding that priority would be given to those who were more vulnerable or at risk.

On the working mechanism, the Director pointed out that a steering committee with representatives from the relevant branch and departments mentioned above and the Hong Kong Council of Social Service was formed to formulate strategies and oversee the implementation of the project.

At the district level, a district committee would pool resources from different sources to network the elderly persons, he said.

"The participating multi-service centres for the elderly will set up their local co-ordinating mechanism to facilitate effective matching of vulnerable elderly persons with volunteer organisations," he added.

Mr Leung called for community support to the project, describing it as "a responsibility to be shared by the whole community".

"Without the concerted efforts of all concerned, success of social networking is difficult to come by," he said.

End

#### Fund to support Hong Kong's service industry

\* \* \* \* \*

The Government has recently set up the Services Support Fund (SSF) to provide financial support for projects which can contribute to the overall development and the competitiveness of Hong Kong's service industry.

The \$50-million fund is administered by the Industry Department.

A project to be funded should be non-profit making in nature, except for the purpose of the project's long-term self-sufficiency.

Four main types of organisations are eligible to apply for funds from the SSF. They are services-support bodies, trade and industry associations, higher education institutions, and professional bodies and research institutes. Locally-incorporated companies may also be considered if their projects will benefit the service industry that go beyond the interests of individual enterprises.

Recipient organisations will be required to disseminate the project results to the relevant service sector.

Funding support is normally given as a grant. In special cases, it may also take the form of an interest-free or interest-bearing loan.

"The Director-General of Industry will approve projects on the recommendations of the SSF Vetting Committee, the advisory body set up to advise on the administration of the fund," a spokesman for the Industry Department said.

"The vetting committee will also advise on the terms and conditions of funding support for the approved project."

There are three tranches of applications in a year under the SSF. The first batch of applications for funding support are now being invited, and the deadline for applications is December 31, 1996. Interested organisations are urged to send their applications to the Industry Department as soon as possible.

Application forms and information leaflets introducing the SSF can be obtained from the Services Support Fund Secretariat, Room 1445, 14th floor, Ocean Centre, 5 Canton Road, Kowloon. No application fees will be charged.

Enquiries can be made by telephoning 2736 0055 and 2737 2278 or by fax on 2377 0730.

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#### 193 VMs depart on Orderly Repatriation Flights

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Two groups totalling 193 Vietnamese migrants (VMs) returned by air to Hanoi, Vietnam today (Monday) on the 77th and 78th flights under the Orderly Repatriation Programme (ORP).

Almost all of the returnees, comprising 74 men, 51 women, 30 boys and 38 girls, are from South and Central Vietnam. Only one of the returnees is from North Vietnam.

The majority of them arrived in Hong Kong in 1991, with the remaining in 1988, 1989 and 1990.

The two groups brought to 7,619 the total number repatriated on ORP flights since November 1991.

End

Monitors' Report submitted to CS

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The monitors appointed to observe the Orderly Repatriation Programme operation this (Monday) morning have submitted their report to the Chief Secretary.

The two monitors comprised a non-official Justice of the Peace, Dr Frank Chao Sze-bang ; and representative from a non-government organisation, Mr Lawrence Tsang Koon-wing from Caritas, Hong Kong.

End

Stanley Prison inmates score well in examinations

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Twenty-one prisoners at Stanley Prison have achieved distinctions in various public examinations organised by the City and Guilds of London Institute and the London Chamber of Commerce and Industry.

Other 47 prisoners of the maximum security prison achieved credits and passes in examinations of the Pitman Examinations Institute and the Hong Kong Certificate of Education Examination and courses organised by the Hong Kong Society of Academics.

The inmates will receive their diplomas and certificates from the Chief Executive of the Hong Kong Jockey Club, Mr Lawrence Wong, at a certificate-presentation Ceremony to be held in Stanley Prison on Wednesday (November 27).

The 68 inmates obtained a total of 25 distinctions, 25 credits and 56 passes in public examinations organised by the various education institutions.

The Correctional Services Department (CSD) initiated evening education classes for prisoners in 1984 to encourage inmates to utilise their leisure time in the pursuit of knowledge. Since 1987, student-prisoners were encouraged to sit for the City and Guilds Telecommunication Technician Examinations, with the pass rate being nearly 100 per cent in most of the examinations taken.

The Hong Kong Jockey Club has been highly supportive of CSD's efforts to provide higher education to inmates and has made substantive donations to the Prisoners' Education Trust as well as providing funding for computer and language training facilities in various correctional institutions.

End

Provisional statistics of retail sales for September

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The value of total retail sales in September 1996, estimated at \$18.5 billion, increased by 7% when compared with September 1995. After discounting the effect of price changes over the period, total retail sales increased by 3% in volume.

These are provisional figures on retail sales released today (Monday) by the Census and Statistics Department.

Compared with a year ago, sales of motor vehicles increased significantly by 22% in value and 21% in volume. These represented a sharp pick-up from the year-on-year growth rates of 8% in value and 7% in volume in August 1996.

Sales of food, alcoholic drinks and tobacco also went up by 8% in both value and volume terms. These were partly attributable to more sales of mooncakes in September 1996, as the Mid-Autumn Festival took place in late September this year but early September last year.

Concurrently, sales of most other commodities also recorded increases of various magnitudes in both value and volume terms. These included consumer durable goods other than motor vehicles (7% in value and 6% in volume); miscellaneous consumer goods (10% in value and 5% in volume); and jewellery, watches and clocks and valuable gifts (5% in value and 3% in volume). Sales in department stores also rose by 9% in value and 4% in volume.

On the other hand, sales in supermarkets went up by 2% in value, but decreased by 3% in volume. Similarly, sales of clothing and footwear increased by 4% in value, but decreased by 4% in volume.

Besides, sales of fuels continued to show a decline, by 8% in value and 13% in volume, as a result of continued shift from retail purchases to direct purchases from major fuels suppliers.

Compared with August 1996 (but bearing in mind that this comparison is affected by seasonal factors), total retail sales in September 1996 decreased by 3% in value and 4% in volume.

Comparing the period from January to September 1996 with the same period in 1995, total retail sales rose by 6% in value and 1% in volume.

The volume of retail sales is derived from the value of retail sales after adjusting for price changes. The relevant components of the Consumer Price Index are used as deflators.

Table 1 presents the revised total retail sales figure for August 1996 and the provisional figure for September 1996.

Table 2 shows the value and volume indices of retail sales in September 1995, August 1996 and September 1996 for all retail outlets and by type of retail outlets, with average retail sales from October 1994 to September 1995 taken as 100. Comparisons of the September 1996 results with those for August 1996 and those for September 1995, as well as comparison of retail sales in the period from January to September of 1996 with the same period in 1995 are also given.

The report containing the analysis of the September 1996 results is now on sale at \$4 per copy at the Government Publications Centre, Queensway Government Offices, ground floor, Low Block, 66 Queensway and the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai.

Enquiries about the survey results may be directed to the Wholesale and Retail Trade Statistics Section of the Census and Statistics Department on 2802 1258.

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TABLE 1 : TOTAL RETAIL SALES

Total Retail Sales for September 1996 (Provisional Figure) = HK\$18,493.2 million  
for August 1996 (Revised Figure) = HK\$19,129.3 million

TABLE 2 : VALUE AND VOLUME INDICES OF RETAIL SALES FOR SEPTEMBER 1995, AUGUST AND SEPTEMBER 1996

(Monthly average of October 1994 - September 1995 = 100)

Type of Outlets	Type of Index	Index Number			% Change		
		September 1995 (Revised figures)	August 1996 (Revised figures)	September 1996 (Provisional figures)	Sep 1996 compared with Aug 1996	Sep 1996 compared with Sep 1995	Jan - Sep 1996 compared with Jan - Sep 1995
<b>(A) FOR ALL RETAIL OUTLETS</b>		(Point)	(Point)	(Point)	(%)	(%)	(%)
	Value	99.9	110.2	106.5	-3.3	+6.6	+5.8
	Volume	97.5	104.7	100.1	-4.4	+2.7	+1.1
<b>(B) BY TYPE OF RETAIL OUTLETS</b>							
Food, alcoholic drinks and tobacco (other than supermarkets)	Value	105.9	99.0	114.0	+15.2	+7.7	+6.0
	Volume	99.8	94.5	107.8	+14.1	+8.0	+2.5
Supermarkets †	Value	111.7	112.5	113.7	+1.1	+1.8	+7.3
	Volume	107.5	103.2	103.9	+0.7	-3.4	+0.9
Fuels	Value	104.1	106.3	95.5	-10.2	-8.3	-2.3
	Volume	101.1	97.7	87.7	-10.2	-13.3	-8.8
Clothing, footwear and allied products	Value	95.2	121.1	98.5	-18.7	+3.5	+10.5
	Volume	94.6	113.4	90.5	-20.2	-4.4	+2.8
Consumer durable goods	Value	103.7	93.3	115.8	+24.1	+11.6	+2.3
	Volume	102.4	91.9	113.5	+23.5	+10.8	+1.6
- Motor vehicles and parts	Value	89.2	86.7	108.5	+25.2	+21.6	-5.1
	Volume	88.8	85.6	107.1	+25.2	+20.6	-5.4
- Consumer durable goods other than motor vehicles and parts	Value	112.5	97.3	120.1	+23.5	+6.8	+6.4
	Volume	110.6	95.8	117.3	+22.5	+6.0	+5.4
Department stores	Value	86.9	108.7	95.0	-12.6	+9.3	+4.3
	Volume	85.4	103.6	88.4	-14.7	+3.6	-0.9
Jewellery, watches and clocks, and valuable gifts	Value	92.7	95.4	97.0	+1.6	+4.6	+1.8
	Volume	90.9	91.8	93.5	+1.8	+2.8	-1.9
Other consumer goods not elsewhere classified	Value	105.9	136.1	116.6	-14.3	+10.2	+10.1
	Volume	102.3	129.0	107.4	-16.8	+5.0	+5.1

NOTE : † Not including supermarkets operating in department stores.  
The underlined figures were rounded up to 5.

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 95.8 per cent of capacity or 561.419 million cubic metres.

This time last year the reservoirs contained 576.818 million cubic metres of water, representing 98.4 per cent of capacity.

End

Hong Kong Monetary Authority tender results

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Tender date	25 Nov 1996
Paper on offer	EF notes
Issue number	7311
Issue date	26 Nov 1996
Maturity date	26 Nov 2003
Coupon	6.8%
Amount applied	HK\$4,650 MN
Amount allotted	HK\$500 MN
Average price accepted (yield)	100.03 (6.91 PCT)
Highest price accepted (yield)	100.03 (6.91 PCT)
Pro-rata ratio	About 50 PCT
Average tender price (yield)	99.98 (6.92 PCT)

End

Hong Kong Monetary Authority money market operations

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	<u>\$million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,369	0930	+528
Closing balance in the account	3,404	1000	+1,128
Change attributable to:		1100	+1,128
Money market activity	+1,125	1200	+1,125
LAF today	-90	1500	+1,125
		1600	+1,125

LAF rate 4.00% bid/6.00% offer TWI 124.4 \*+0.2\* 25.11.96

Hong Kong Monetary Authority

EF bills		EF notes/MTRC notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.97	2 years	2811	5.72	100.16	5.71
1 month	4.93	3 years	3910	6.28	100.79	6.06
3 months	4.91	5 years	5109	7.32	103.33	6.60
6 months	4.98	7 years	7308	7.24	102.49	6.89
12 months	5.23	10 years	1610	7.37	102.40	7.15
		5 years	M503	7.35	102.10	6.94

Total turnover of EF bills and notes - \$8,401 million

Closed November 25, 1996

End