DAILY INFORMATION BULLETIN

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Meeting between CE(Designate) and FS

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There will be a meeting between the Chief Executive (Designate), Mr C H Tung and the Financial Secretary, Mr Donald Tsang tomorrow (Tuesday) in Mr Tung's office at 10.30 am.

Arrangements are being made for Mr Tung to meet the other principal officials over the next few weeks.

End

No plan to resettle VRs in Hong Kong

* * * * *

The Government has no plan to resettle locally the 1,300 Vietnamese refugees (VRs) now staying in Hong Kong, a Government spokesman said today (Monday).

A newspaper report today said that the Government was considering various options to resolve the problem of the VRs, including resettling them in Hong Kong.

"Finding durable solutions for the refugees is primarily the responsibility of the United Nations High Commissioner for Refugees (UNHCR)," the spokesman said.

"The Hong Kong Government is only giving whatever assistance it can in this regard."

The spokesman pointed out that UNHCR was vigorously finding resettlement places for the refugees overseas as well as persuading them to return to Vietnam.

"Under the Comprehensive Plan of Action which still applies to Hong Kong, we have no obligation to resettle them locally," he said. "And we have no plan to do so."

End

Final report on new airport transport study released

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Consultants appointed by the Transport Department have completed their final report on the Transport Study for the New Airport (TRANSNA), a spokesman for the department said today (Monday).

Commissioned in June 1995, the study aimed to develop a strategy for the provision of a wide choice of public transport mode to the new airport and Lantau from 1997 and onwards.

Recommendations were made after extensive public consultation on its preliminary proposals. Those consulted include the Transport Panel of Legislative Council, Transport Advisory Committee, all district boards' traffic and transport committees, major airport users and public transport operators.

In general, the study recommended a wide range of public transport services, in addition to the Airport Railway (AR), to serve the new airport at Chek Lap Kok (CLK) and Tung Chung New Town.

These services included airbuses, conventional buses, high-speed ferries, taxis and green minibuses, the spokesman said.

The study also proposes to strengthen the existing bus services operated by the New Lantao Bus Company (NLB) on South Lantau and feeder bus services to AR stations in the urban area by existing franchised bus operators through extending, modifying and supplementing current bus routings.

On taxi service, the study recommends that upon the opening of the new airport, urban, Lantau and New Territories taxis can go directly to the Ground Transportation Centre (GTC) of the new airport.

To attract taxis to the new airport, it is proposed that taxi drivers will be allowed to charge passengers a double toll for the use of Lantau Link in both directions.

Subject to the availability of pier facilities, a licensed high-speed ferry service between CLK and Tuen Mun is recommended.

Recommendations are also made to allow Green minibuses to serve AR stations through the introduction of new routes and modification of existing services.

End

Employees Retraining Scheme consultation period extended

* * * * *

The Government announced today (Monday) that the consultation period for the review on the Employees Retraining Scheme would be extended by one month to February 3, 1997.

"The extension is in response to the requests made by the Employees Retraining Board and the Legislative Council Panel on Manpower," an Education and Manpower Branch spokesman said.

"Interested parties should send their views to Education and Manpower Branch before the new deadline," he added.

End

HK/US customs joint visits to factories next month

* * * * *

The Government today (Monday) announced that Hong Kong and United States (US) Customs officers will jointly visit selected textiles factories in Hong Kong next month (January).

"The visit programme will last 30 days, starting from January 6. Two teams of two US Customs officers will join Hong Kong Customs officers and visit factories producing any of the 12 categories of textiles products for the US market. Such joint visits will only be conducted with the consent of the factories," a government spokesman said.

Of the 12 categories, eight are the same as those covered by the Hong Kong/US Customs joint factory visits in September. They are dresses (categories 336 and 636), skirts (categories 342, 442 and 642), nightwear (category 351) and underwear (categories 352 and 652).

The remaining four categories, which the US has put on its "watch-list" since September, are cotton gloves (category 331), cotton knit shirts (category 338/339), women's and girls' cotton pants (category 348) and cotton dressing gowns (category 350).

"Factories which submit production notifications (PNs) in any of the categories concerned may be selected for the joint factory visits," the spokesman said.

"The joint teams may also visit factories which have effected shipments in the 12 categories that are currently in transit or awaiting clearance at US ports, or have entered the US after June 17 this year."

The spokesman said similar to the September joint factory visits, the joint teams would not undertake any enforcement activities during the January visits. Enforcement activities including the inspection of factory books and records would be undertaken by Hong Kong Customs independently, and separately from the joint visits.

"If the joint teams confirm that a consignment is of Hong Kong origin, the US Customs will lift the single entry bond requirement for the consignment; or if the single entry bond has already been submitted, the US Customs will liquidate the entry and the importer will be relieved of all conditional release obligations," the spokesman added.

The US Customs started imposing additional import measures on 10 categories of Hong Kong textiles products on June 17. Such measures include additional requirements in import documentation and the requirement for a single entry bond. The US Customs also demanded verification by US Customs of the origin of consignments.

In addition, starting from September 1, the US Customs put four other categories of Hong Kong textiles products on a "watch list" for monitoring of any illegal transhipment.

Hong Kong has disagreed to US Customs conducting verification checks in Hong Kong factories but consented to HK/US Customs joint visits to factories to observe Hong Kong's control system. Hong Kong has also raised objections to the US' additional import requirements and the "watch-list", mainly on the grounds that such measures have been imposed unilaterally; that they apply to the relevant products only from Hong Kong and are therefore discriminatory; and that they adversely affect both legitimate and illegitimate trade indiscriminately.

"Hong Kong is determined to combat illegal transhipment and as part of our on-going efforts, we welcome co-operation with our trading partners to do a better job together," the spokesman said.

"But any such co-operation has to be in line with our domestic laws and procedures and our international rights and obligations. It should reinforce rather than interfere with our own efforts under Hong Kong's long-established control systems.

"We also need to be satisfied that any measures against illegal transhipment do not unnecessarily hinder legitimate trade," the spokesman said.

"Therefore, to us the current issue we have with the US Customs concerns not the objective of combating illegal transhipment but the means towards that objective.

"We hope that through the joint factory visits and other exchanges between the two sides, we will be able to reach an understanding on agreed methods for co-operation, and the US will remove its unilateral measures as soon as possible.

"This approach of co-operation is in line with our objective of combating illegal transhipment, and with the relevant provisions in the World Trade Organisation.

"But if at the end of the day, we fail to reach a mutually satisfactory solution, we would have to take the matter to the World Trade Organisation," the spokesman added.

There have been on-going exchanges between the two sides since June this year. These include three rounds of formal consultations in Hong Kong and Washington in June, July and October, and a 30-day joint factory visit programme in September.

Following the September factory visits, the US Customs removed the single entry bond requirement for two suit categories 443 and 643.

Various administrative arrangements arising from the joint factory visits in January will be put in place. Traders are advised to refer to the Notice to Exporters No 78/96 and Certification of Origin Circular No 17/96 issued by the Trade Department today. If they require additional information, they should enquire with the department's Americas Division.

End

Applications for British passport and nationality matters

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The Immigration Department announced today (Monday) that the department will cease handling applications for British passport and related nationality matters on behalf of the United Kingdom Government from 4.30 pm this Friday (January 3).

However, the department will continue to process applications for Hong Kong British Dependent Territories Citizen and British National (Overseas) passports until further notice.

A spokesman for the department said with effect from next Monday (January 6), the British Trade Commission would assume the following responsibilities:

(i) Process applications for British passport (except Hong Kong British Dependent Territories Citizen and British National (Overseas) passports);

(ii) Process extensions of United Kingdom Certificates of Identity;

(iii) Applications for naturalisation, registration, renunciation and resumption of British nationality, and

(iv) Consular assistance, notarial acts, registration of births, deaths and marriages.

The spokesman said after 4.30 pm on Friday, the department would cease taking the above applications.

"Any outstanding applications will be passed to the British Trade Commission (Passport/Consular Section) for completion," he added.

The address of the Passport/Consular Sections of the British Trade Commission is:

British Trade Commission
Fourth Floor,
1 Supreme Court Road,
Hong Kong

Passport Section Tel No	:	2901 3222
Consular Section Tel No.	:	2901 3281
Fax Number	:	2901 3295

Prior to Saturday (January 4), members of the public may telephone 2824 6111 or use faxline 2877 7711 for enquiries.

End

Amended classification for import and export declarations

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A spokesman for the Customs and Excise today (Monday) reminded importers and exporters that import and export declarations for shipments on or after Wednesday (January 1, 1997) must be completed in accordance with an amended classification.

"The amendments to the Hong Kong Imports and Exports Classification List (Harmonised System), 1996 Edition, gazetted last Friday (December 27), will take effect from Wednesday," the spokesman said.

He said the amendments involved changes in the classification of commodities such as fishes, organic chemicals, articles of jewellery of precious metal, computer parts, modems, compact disc players, video compact disc players and printed circuits.

"These amendments will bring the classification up-to-date by introducing more appropriate sub-classifications as well as deleting unnecessary sub-classifications," he said.

Importers and exporters are requested to ensure that their staff responsible for completing import and export declarations should familiarise themselves with such amendments.

Copies of the amendment list are now obtainable free of charge at the following addresses:

(a) Government Publications Centre,
Queensway Government Offices, Low Block,
ground floor, 66 Queensway, Hong Kong.

(b) Customs and Excise Department,
Collection Office (Hong Kong), second floor,
Harbour Building, 38 Pier Road, Central,
Hong Kong.

(c) Customs and Excise Department,
Collection Office (Kowloon), ground floor,
Middle Road Multi-storey Carpark Building,
Tsim Sha Tsui, Kowloon.

(d) Census and Statistics Department, 17th floor,
Wanchai Tower, 12 Harbour Road, Wan Chai,
Hong Kong.

End

Monetary statistics for November 1996

* * * * *

According to statistics published today (Monday) by the Hong Kong Monetary Authority, both deposits and loans and advances rose during November 1996.

Table 1 summarises figures for November 1996 and comparisons with earlier months.

Deposits

Total deposits rose by 3.6% in November, following a growth of 1.7% in October. The increase was mainly led by a 5.2% growth in HK$ deposits, which outpaced a 1.5% rise in foreign currency deposits.

HK$ deposits recorded notable growth in both time deposits and savings deposits, which more than offset a fall in demand deposits. Savings and time deposits rose more rapidly in November, by 4.1% and 6.6% respectively, compared to their respective growth of 2.3% and 3.5% in the previous month.

The strong growth in time deposits was attributable partly to the placements of share subscription monies in the form of time deposits before the refund date. Demand deposits fell by 2.2% in November, reversing the rise of 2.2% in October.

The rise in foreign currency deposits was due to a 3.6% increase in US$ deposits which outweighed a 0.5% decline in non-US$ foreign currency deposits. Non-US$ foreign currency deposits have fallen for four months in a row, cumulating a total reduction of 4.1%.

Loans and Advances

Total loans and advances grew by 2.5% in November, following a slight rise of 0.1% in October. The rise was broadly based, with an expansion in domestic credit by 4% and a rise in offshore loans by 1.3%.

Of the domestic credit, loans for trade financing rose by 0.4% in November, the first monthly increase after consecutive declines in the previous four months.

On the other hand, other loans for use in Hong Kong grew notably by 4.4%, possibly fuelled by loans and advances for share subscriptions and partly contributed by the growth in mortgage loans. The result of the November 1996 Residential Mortgage Survey of 33 authorised institutions showed that outstanding residential mortgage loans grew by 1.8% during the month.

Analysed by currency, HK$ loans increased by 4.6% during the month and foreign currency loans were up by 1.3%. As HK$ loans grew slower than HK$ deposits, the HK$ loan-to-deposit ratio fell from 103.9% at end-October to 103.2% at end-November.

Money Supply

HK$M1 fell by 0.7% in November as the decline in HK$ demand deposits more than offset a 1.7% rise in currency held by the public. Compared to a year earlier, HK$M1 rose by 10.1%. HK$M2 and HK$M3 both increased by 5% in November, having risen by 2.6% in October. During the year to November, HK$ M3 grew much faster by 22.8%, as compared to 14.8% in October. This was partly distorted upward as a result of the new share flotations as well as a low base comparison.

TABLE 1 : MONETARY STATISTICS - NOV 1996

(HK$mn)

	Nov 1996	Earlier months (% change to Nov 1996)					
		Oct 1996		Aug 1996		Nov 1995	
Money Supply							
M1 - HK$	187,289	188,522	(-0.7)	176,382	(6.2)	170,079	(10.1)
Foreign currency	19,945	18,694	(6.7)	19,673	(1.4)	17,797	(12.1)
Total	207,235	207,215	(0.0)	196,054	(5.7)	187,876	(10.3)
M2 - HK$@	1,514,450	1,442,300	(5.0)	1,380,633	(9.7)	1,229,638	(23.2)
Foreign currency*	1,015,164	997,368	(1.8)	1,003,536	(1.2)	997,782	(1.7)
Total	2,529,614	2,439,668	(3.7)	2,384,170	(6.1)	2,227,420	(13.6)
M3 - HK$@	1,531,238	1,458,943	(5.0)	1,396,382	(9.7)	1,246,795	(22.8)
Foreign currency*	1,079,369	1,059,955	(1.8)	1,069,677	(0.9)	1,060,690	(1.8)
Total	2,610,607	2,518,898	(3.6)	2,466,059	(5.9)	2,307,485	(13.1)
Notes and coins in circulation	84,176	82,522	(2.0)	83,174	(1.2)	77,321	(8.9)
of which held by public	74,816	73,575	(1.7)	73,796	(1.4)	68,934	(8.5)
Total Deposits							
Total Demand deposits	132,419	133,640	(-0.9)	122,259	(8.3)	118,942	(11.3)
Total Savings deposits	505,110	489,076	(3.3)	473,487	(6.7)	424,656	(18.9)
Total Time deposits	1,822,139	1,750,776	(4.1)	1,723,086	(5.7)	1,629,440	(11.8)
With licensed banks	1,763,464	1,692,518	(4.2)	1,662,220	(6.1)	1,573,524	(12.1)
With restricted licence banks	42,888	42,564	(0.8)	44,889	(-4.5)	37,497	(14.4)
With deposit-taking companies	15,787	15,694	(0.6)	15,978	(-1.2)	18,419	(-14.3)
HK$ deposits@	1,414,677	1,344,311	(5.2)	1,280,034	(10.5)	1,142,655	(23.8)
Demand deposits	112,473	114,946	(-2.2)	102,586	(9.6)	101,145	(11.2)
Savings deposits	357,293	343,301	(4.1)	332,951	(7.3)	288,976	(23.6)
Time deposits@	944,911	886,063	(6.6)	844,497	(11.9)	752,534	(25.6)
US$ deposits*	531,373	513,000	(3.6)	515,070	(3.2)	516,870	(2.8)
Other foreign currency deposits*	513,617	516,181	(-0.5)	523,728	(-1.9)	513,512	(0.0)
Foreign currency deposits*	1,044,990	1,029,181	(1.5)	1,038,798	(0.6)	1,030,382	(1.4)
All deposits	2,459,667	2,373,492	(3.6)	2,318,832	(6.1)	2,173,037	(13.2)
Foreign currency swap deposits	39,043	38,889	(0.4)	40,048	(-2.5)	51,813	(-24.6)
Total Loans and advances							
Loans for use in H.K.	1,829,595	1,759,693	(4.0)	1,738,365	(5.2)	1,562,030	(17.1)
To finance H.K.'s visible trade	164,088	163,392	(0.4)	165,052	(-0.6)	154,356	(6.3)
To finance merchandising trade not touching H.K.	19,017	18,998	(0.1)	20,566	(-7.5)	18,074	(5.2)
Other loans for use in H.K.	1,646,490	1,577,304	(4.4)	1,552,747	(6.0)	1,389,600	(18.5)
Loans for use outside H.K.#	2,090,082	2,064,114	(1.3)	2,117,759	(-1.3)	2,169,588	(-3.7)
Other loans for use outside H.K.	2,049,228	2,024,381	(1.2)	2,077,307	(-1.4)	2,131,604	(-3.9)
Other loans where the place of use is not known	40,854	39,733	(2.8)	40,451	(1.0)	37,984	(7.6)
Loans in HK$	1,460,511	1,396,507	(4.6)	1,377,566	(6.0)	1,234,278	(18.3)
Loans in foreign currencies	2,459,166	2,427,300	(1.3)	2,478,558	(-0.8)	2,497,341	(-1.5)
Total loans and advances	3,919,677	3,823,808	(2.5)	3,856,124	(1.6)	3,731,619	(5.0)

* Adjusted to exclude foreign currency swap deposits.
@ Adjusted to include foreign currency swap deposits.
\# Including those where place of usage is unknown.

Note : Data may not add up to total due to rounding.

End

TABLE 1 : TOTAL RESTAURANT RECEIPTS AND PURCHASES

		2nd Qtr 1996 (Revised figures)	3rd Qtr 1996 (Provisional figures)
Total restaurant receipts	(HK$ million)	12,992.7	14,027.4
Total purchases by restaurants	(HK$ million)	4,707.0	5,048.0

TABLE 2 : VALUE AND VOLUME INDICES OF RESTAURANT RECEIPTS FOR 3RD QUARTER 1995, 2ND QUARTER AND 3RD QUARTER 1996

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

Type of Restaurants	Type of Index	Index Number			% Change		
		3rd Quarter 1995 (Revised figures)	2nd Quarter 1996 (Revised figures)	3rd Quarter 1996 (Provisional figures)	3rd Qtr 1996 compared with 2nd Qtr 1996	3rd Qtr 1996 compared with 3rd Qtr 1995	1st-3rd Qtr 1996 compared with 1st-3rd Qtr 1995
		(Point)	(Point)	(Point)	(%)	(%)	(%)
(A) FOR ALL RESTAURANTS TYPES	Value	102.4	100.5	108.5	+8.0	+5.9	+4.1
	Volume	100.2	95.5	102.5	+7.3	+2.4	+0.1
(B) BY TYPE OF RESTAURANTS							
Chinese restaurants	Value	100.6	96.5	103.7	+7.5	+3.1	-0.1
	Volume	98.6	92.7	99.2	+7.0	+0.7	-3.2
Non-Chinese restaurants	Value	103.9	105.5	114.3	+8.4	+10.1	+11.7
	Volume	101.4	99.6	107.4	+7.8	+5.9	+7.2
Fast food shops	Value	108.1	109.3	119.0	+8.9	+10.1	+10.5
	Volume	105.1	101.0	109.2	+8.1	+3.9	+4.1
Bars	Value	101.1	100.9	109.4	+8.4	+8.2	+1.7
	Volume	100.3	94.6	101.1	+6.8	+0.8	-4.4
Other eating and drinking places	Value	97.9	100.3	106.5	+6.2	+8.8	+6.3
	Volume	96.2	95.4	100.2	+5.0	+4.1	+1.8

Three pesticides to be deregistered tomorrow

* * * * *

Starting tomorrow (Tuesday), three Part I pesticide combinations containing the chemical Mirex will be deregistered.

Making the announcement, an Agriculture and Fisheries Department (AFD) senior agricultural officer, Dr Ian Hunter, said the three pesticides to be deregistered are: Mirex, Acephate/Mirex and Mirex/Rhodojaponin-I/Rotenone.

Dr Hunter pointed out that with effect from tomorrow, traders are required to apply to AFD for a permit to import and re-export these mirex-based pesticides. All activities relating to the supply and retail of any of these pesticides after that date would be prohibited under the Pesticides Ordinance unless under permit conditions. Contravention carries a maximum penalty of $50,000 and to imprisonment for one year.

He stressed that the deregistration followed AFD's review on toxicological and environmental data and world status of mirex which recommended that the pesticide be removed from the register.

The proposal was endorsed by the Inter-departmental Expert Committee on Pesticides in November last year, he said.

"As the pesticides are popular in Hong Kong for termite and domestic cockroach control, Mirex importers and distributors were notified of the possible deregistration in January this year. All other pesticide licence holders were informed in August.

"Stocks of these pesticides were also monitored for a number of months," he added.

Traders reacted positively to AFD's proposed action by agreeing to the running down of stocks, re-exporting or surrendering existing stocks at the time of deregistration and putting forward alternative chemicals for registration to fill the gap in the market left by the withdrawal of mirex-based products.

Dr Hunter said that traders, importers or distributors should let the department know of any remaining pesticide stock so that they can be informed of the proper disposal method.

It is generally accepted that removing mirex-based products from the market will now have little or no effect on the trade and will generate positive response from the public.

Further enquiries on the deregistration can be directed to AFD's Plant and Pesticides Regulatory Division on 2733 2214 and 2733 2216.

End

Fresh water cut in Sai Kung and Sha Tin

* * * * *

Fresh water supply to some premises in Sai Kung and Sha Tin (North) will be temporarily suspended on Thursday(January 2) and Friday (January 3) to facilitate watermains works.

In Sai Kung, the suspension will start from 11 pm on Thursday to 6 am the following day. It will affect all villages in Clear Water Bay, including Lung Ha Wan Road, Mau Po, Tai Hang Hau, Siu Hang Hau, Tai Au Mun Village, Tsiu Wo, Tai Wan Tau, Tin Wan Tsai, Tin Ha, Tai Wong Kung, Po Toi O, Tai Miu Au,and Clear Water Bay Golf and Country Club.

The suspension in Sha Tin (North) will be from 10 pm on Thursday to 7 am the next day. The affected area will include all premises in Kwei Tei Street, Wo Sheung Tun Street, Wong Chuk Yeung Street, Kwei Tei San Tsuen, Man Hang Tsuen, Tsung Tau Ha Road, Lok Kwai Street, Lok Lam Road, Lok Fung Path, Lok Yuen Path, Lok Lin Path, Lok Shun Path, Lok Lo Ha Village, Ho Tung Lau Village, Ngan Kiu Kuk Village, Fsous Garden, Ma Liu Village, Kau To Village, Kau To Shan Road, Ma Ying Path, Ma Lok Path, Ma Yeung Path, Ma On Path, Ma Ling Path, Forest Hill, Seaview Villa, Red Bridge Villa, Kau To Hang, Lai Ping Road, Yucca De Lac Restaurant and Chik Nai Ping Village.

End

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 82.2 per cent of capacity or 481.832 million cubic metres.

This time last year the reservoirs contained 502.020 million cubic metres of water, representing 85.7 per cent of capacity.

End

Hong Kong Monetary Authority Interbank Liquidity

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		Time	Aggregate Balance of Settlement Accounts
Opening aggregate balance	1,096 mn	0930 hr	12,621 mn
Closing aggregate balance	1,434 mn	1000 hr	18,604 mn
Change attributable to :		1100 hr	22,854 mn
Money market activity	-6 mn	1200 hr	28,078 mn
LAF reversal	+7,420 mn	1500 hr	29,683 mn
LAF today	-7,076 mn	1600 hr	32,333 mn

LAF rate 4.00% bid/6.00% offer TWI 125.4 *+0.1* 30.12.96

Hong Kong Monetary Authority

EF bills		EF notes/MTRC notes				
Terms	Yield	Terms	Issue	Coupon	Price	Yield
1 week	4.36	2 years	2811	5.72	100.33	5.60
1 month	4.34	3 years	3910	6.28	100.86	6.02
3 months	4.47	5 years	5112	6.57	99.82	6.72
6 months	4.67	7 years	7311	6.80	99.48	7.01
12 months	5.01	10 years	1610	7.37	101.58	7.27
		5 years	M503	7.35	101.82	7.00

Total turnover of EF bills and notes - $9,726 mn

Closed December 30, 1996

End