



# DAILY INFORMATION BULLETIN

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Governor calls for concrete reassurances on HK's future

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The Governor, the Rt Hon Christopher Patten, today (Monday) calls for more concrete reassurances be given to individuals and businesses if Britain and China are to discharge their common obligation to ensure a successful transition for Hong Kong.

The British and the Hong Kong Governments can do their bit to give reassurance by remaining firmly committed to implementing the Joint Declaration in full, he said.

This can also be done by their obvious commitment to ensuring that Hong Kong is in the best possible economic, environmental, social and educational shape on June 30, 1997, so that the Special Administrative Region Government can get off to the best possible start on July 1, 1997, he added.

"There are people in Hong Kong who could give more reassurance by being less ready to let go of components of Hong Kong's economic and social success, to let go of assets assured to Hong Kong in the Joint Declaration and Basic Law, whenever there is any sign of controversy about them," he said.

Addressing a luncheon meeting of the Foreign Correspondents' Club, Mr Patten pointed out that as 1997 came closer, individuals and businesses were looking not to Britain nor the Governor, but to China to provide reassurances: and indeed concrete evidence that the principles enshrined in the Joint Declaration will be upheld and implemented in the future.

Hong Kong and its people have prospered because of Hong Kong's virtuous adherence to its fundamental virtues.

The fundamentals are a free, open market; low taxes; prudent spending; clean and competent administration; rule of law; an international outlook; investment in the future and exchange rate stability.

Hong Kong is not going to turn back on the secrets of its success, he said.

"There can be no doubt about that before 1997. There should be no doubt about that after 1997. Sadly some people have such doubts," he said.

Mr Patten said the doubts might have begun to creep in because the Joint Liaison Group had over the years not been able to deal as quickly with outstanding issues as people hoped, and because misunderstandings and agreements had emerged.

There have been notable achievements on defence lands, the airport and cross border co-operation, but too many uncertainties have been left unresolved.

Issues that have drawn concerns include the right of abode, the Court of Final Appeal, Container Terminal No. 9 and the future of the civil service.

People would like to see these issues settled so that they can take assurance for the future and plan with more confidence.

"The British and the Hong Kong Governments will do all that they can to enable this to be done.

"I am sure that the Chinese side appreciate their importance to Hong Kong.

"It is in the common interest of Britain and China, too," he said.

Britain doesn't just have a moral obligation to discharge its responsibilities to Hong Kong faithfully, it also has a huge interest in Hong Kong's success after 1997, an interest that comes from the huge investments of British companies in the territory, he said.

By that measure of economic interest, China has an even greater reason for wanting Hong Kong to do well than has Britain, he added.

"A place to start would be the forthcoming Preliminary Working Committee seminar on the future of Hong Kong as an international financial centre."

It will be reassuring to many people if that seminar produces as strong an endorsement of Hong Kong's fundamental virtues as an economy, and as unequivocal a commitment to uphold them, as I have given today, he said.

"I'm sure that officials from the Hong Kong Government would be happy to take part and give the benefit of their experience and advice if asked.

"Beyond that, words need to be acted on with concrete agreements. I do very much hope that more of these will be forthcoming over the next few months.

"The Hong Kong Government, as ever, will be doing all that it can to assist and explain, to help Chinese officials to take those steps that the people of Hong Kong and international investors alike would all welcome," he said.

End/Monday, January 23, 1995

Governor's question & answer session at FCC

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Following is the transcript of the Governor the Rt Hon Christopher Patten's question and answer session at the Foreign Correspondents' Club today (Monday):

Question: You mentioned that Hong Kong would like to see clear signals from Chinese officials, concrete actions. You deftly avoided mentioning the name of Deng Xiaoping. It would seem to me that any civil servant or any Government official right now would be extremely hesitant to do anything so long as Deng Xiaoping, you know, is on his death-bed. Well, put it this way, do you think Chinese policy now is in limbo until the question of Deng's succession is resolved? And what do you see is the impact on Hong Kong of Deng's death, short term and long term?

Governor: You know me well enough now to know how diplomatic I always am in answering questions and I don't think it is seemly or appropriate for me to speculate about political developments in Peking, though I'm sure everybody else will be. But let me make the following points.

First of all, whatever happens in Hong Kong or China, China and Hong Kong have a shared interest in the success of their respective economies which are umbilically linked. It is overwhelmingly in Hong Kong's interest that China should continue the spectacular economic revolution that was begun by Deng Xiaoping, and whatever the occasional bumps along the road, which are inevitable, should continue that as successfully in the next 15 years as it's been carried forward in the last 15 years. Equally, it is very much in China's interest that Hong Kong which today represents 21% of China's GNP, should continue to be a successful and thriving economy.

Secondly, in relation to Hong Kong, putting off decisions doesn't make them any easier. It's bound to make some decisions a bit more difficult. Putting off decisions, whether it's done by the Hong Kong Government or by anyone else, means that there will be a very great deal to do the closer we get to 1997 if we are to secure that smooth transition which everyone in Hong Kong wishes to see.

Thirdly, whoever are the principal leaders in Peking will face the same agenda both here and throughout China in the next few years and you know as well as I do what that agenda consists of. We would like to be able to work as closely as is reasonably possible with Chinese officials and with those they choose to join the Preparatory Committee in the year and a half or so before the transition. And we would like to be able to be discussing with Chinese officials as soon as possible, ways in which they think we could best co-operate with and help that Preparatory Committee. Of course we have ideas about that but our ideas aren't set in concrete and what we can best do will obviously depend a great deal on what Chinese officials think we can most usefully do. Discussions on an issue like that can't wait indefinitely because time presses and it is in the interests of the future members of the Preparatory Committee, as it is in the interests of the Hong Kong Government and the Hong Kong public, for us to be able to settle down and talk about those things sooner rather than later.

So I hope that decisions won't be delayed or postponed. And I'm sure that the leadership in China will continue with the economic revolution begun so notably by Deng Xiaoping. And I will no more today than I have in the past, speculate about his health. I'm sure Chinese officials don't speculate about mine.

Question: This question is asked not so much in memory of your former colleague Mr Lamont in the EMS, but more in recollection of 1984, the last bursting of the Hong Kong asset bubble which led, at the time of political disturbances as well, to the collapse of the Hong Kong dollar and the establishment of the peg. The question is, how high are you prepared to see Hong Kong interests go to protect the peg? Is there any limit?

Governor: Well I am grateful for the comparison with Norman Lamont which I'm sure was well intentioned. I have never shared his financial responsibilities but I know enough about markets not to give an answer to your question. All I will say, as somebody who has shifted his position intellectually on fixed and floating rates over the years, and normally been wrong in the past, all I will say is that I believe that the peg has been an important element in the stability of the Hong Kong economy and Hong Kong society, though I recognise the limitations which it places on the customary conduct of monetary policy and know that you and others have written stimulatingly on the subject. But just in case there is any doubt about it, our position, which I have enunciated on many occasions, is that the peg stays so long as we do, up to the 30th June 1997, and I know that Chinese officials have made it clear, not least at a seminar organised by the PWC which one of our officials attended, that they intend that the link should continue after 1997 too.

Question: Governor, I think I heard you rightly saying that Hong Kong officials were going to be playing a role in the Preparatory Committee and I just wonder if you could elaborate. You seem to have offered something new in saying that Hong Kong officials could participate in the PWC seminar on Hong Kong as a financial centre, is that something new in terms of policy and do you have some sort of - I don't know - elaborated plan as to how Hong Kong officials are going to slot in to the Preparatory Committee?

Governor: Well let me clarify what I said, and I think that the tapes - to borrow from a late president of the United States - will, without any deletions, bear out what I'm about to say. First of all, in setting out in terms our existing policy and what actually happens, I'm not enunciating anything new but perhaps merely observing that sometimes people are a little confused about what our position is and maybe that's our fault, maybe people hear what they want to hear. But we have never had any difficulty at all about briefing PWC members, about taking part in seminars which they organise on their own or with others. We've briefed PWC members on the localisation and adaptation of laws. I hope that we may have the opportunity - I would wish that we had had it earlier - to brief on issues like nationality, visa abolition agreements, right of abode. We attended a seminar on the link. We attended a seminar organised by the PWC and the TDC on economic links with the Mainland. I think about three of our senior officials attended that seminar. And if we are invited to attend the seminar on reclamation in the harbour - we haven't yet had an invitation - but I'm sure we would want to respond to that positively, as we would wish to respond, I'm sure, positively if we were invited to represent the views of the Hong Kong Government at a seminar on the future of Hong Kong as an international, financial centre.

What we haven't been prepared to do is to join the PWC formally or to treat it as, as it were, an alternative organ to the Joint Liaison Group or to the other institutions set up under the sacred texts. There are some who say the PWC was set up as an attempt to smooth the transition. There are others who say that it was set up as an attempt to establish an alternative power centre. We're prepared to help it as enthusiastically as possible in the first of those categories. If the second was ever in anybody's mind, I don't think it is any business of ours to support it in that endeavour but I'm sure nobody ever thought of that.

The second question is how we relate to the Preparatory Committee and there, what I think I said, is that we believe that we should help the Preparatory Committee in every way which they thought was desirable. I didn't say that members of the Hong Kong Civil Service should be members of the Preparatory Committee. I don't imagine for one moment that Chinese officials or the NPC would consider that. But I do think that we have to help. We have to help and would want to help, by the provision of intellectual and administrative resources and in other ways that Chinese officials may think desirable. There are all sorts of examples that one can draw in from other societies or communities. When there is a change of president in the United States, there's a transition team established between one administration and the next to try to smooth things through and I daresay we can draw on that experience as well as to make some of our own ground rules.

There are particular areas where we will plainly have to work very closely with the Preparatory Committee and with the Chief Executive Designate. For example, in drawing up the 1997 Budget. That will involve very close discussions both about public expenditure and about macro economic judgments with designated members of the Preparatory Committee in 1996. So those are all practical ways in which we are prepared to be as co-operative as possible with the Preparatory Committee. I set a number of them out in the autumn of last year in my speech to the Legislative Council. Our impression is that Chinese officials want to connect on those issues, though they haven't - who would expect it? - been loud in their hosannas or thrown their hats very high in the air. But the sooner we can get down to discussing those practical measures and the sooner we can explain the outcome to the Legislative Council and the community, in my judgment, the better.

I said the other day and it wasn't the establishment of pre-conditions, it seemed to me to be a statement of the thunderingly obvious, that we should be prepared to co-operate wherever we believed that it was in the interests of Hong Kong, that it was in the spirit of the Joint Declaration and where it clearly was in the long term interests of those people who man the administration of Hong Kong, and woman the administration of Hong Kong, our civil servants. I repeat, those aren't pre-conditions, they are things I imagine that Chinese officials believe as well. When Mr Qian Qichen talks about the importance of a smooth transition, I imagine that he has some of those things in mind himself.

Question: I'm not sure that Steve Vines' question has actually been clarified. I have a separate question but I'm just wondering if you could pick up on that point and clarify. Are you saying that if the invitation from the PWC is made to the Government and not to the officials themselves that you are prepared to accept it? If that's what you are saying, it does seem to be a shift.

My actual question is: You spoke about people seeking assurances increasingly from the incoming sovereign rather than from Britain and I'm just wondering, given the arrest of a Hong Kong businessman, problems with developments in the heart of Beijing, intellectual property rights, etc, if assurances are sought and given, what degree of likelihood do you see that they will actually be believed?

Governor: Let me deal with the second point first. Clearly, there comes a point - and I suspect it's come - when my reassurances about the business atmosphere or related matters after 1997 are rather less important to investors and businessmen than what Chinese officials say. And what Chinese officials say will always be related to the backdrop of what is happening in China and what is promised for Hong Kong. I think a sensible businessman would recognise the considerable difficulties which Chinese officials have faced and have faced on the whole with considerable success. I would hope too, that a businessman looking to the future would take it as a mark of comfort rather than the reverse that Chinese officials were increasingly so open about the economic problems that they have to face and overcome, sometimes more open and therefore more convincing than some enthusiasts outside. So I hope that people, in taking reassurance from Chinese officials, won't expect the impossible and won't be too starry-eyed in their assessments of what is possible in China.

I think we may be - or you may be - inventing a theological point which I don't quite understand in relation to the Preparatory Committee. Our position is absolutely clear. We think that the Hong Kong community expects the Hong Kong Government to give the maximum help to the Preparatory Committee in all its activities, provided, and I'm sure they will be, that they are in line with the Joint Declaration and appear to be in Hong Kong's interests. Not a question of whether the Preparatory Committee makes an application for assistance to the Government or to individual civil servants. I imagine that one of the things we will want to agree on is some clearing-house through which Preparatory Committee requests for help and information can be put. But those are things which we need to discuss with Chinese officials.

I could share any one of a number of ideas on co-operation with you this lunch-time but it is rather more significant for us to work them out with Chinese officials, either in the JLG or in some other forum. But we have no theological difficulties about supporting, working with, the Preparatory Committee. And the way we work with them, the support we provide, could take any of a number of forms. The provision of facilities, the provision of staff support, all those sort of things which I just offer as examples, we need to talk to Chinese officials about.

Question: You've said that transitional matters will be on the agenda when you go to London this week. I seem to recall last year on one of those rare occasions when senior Chinese officials were not speaking directly to senior Hong Kong officials, you indicated that one appropriate subject for direct discussions might be on concrete arrangements for the ceremonies which will have to be held to mark the handover on the 30th June. I just wondered whether you have had any response from China on this issue or indeed any indication that the Chinese side intend to take part in any Hong Kong ceremony on that date?

Governor: There are aspects of that issue on which exchanges have taken place but we haven't yet connected across the range of issues affecting the actual transition with Chinese officials in the JLG, though I trust we will do so. Chinese officials are understandably concerned with issues of sovereignty and I'm sure will be concerned that the transfer of sovereignty is handled in as dignified a way as possible. And for both those reasons, I would imagine that in due course they would want to talk to us about those things. There are very practical matters involving the movement of the garrison in both directions. There are other matters about who's invited, who's there. Least important of course is the exact mode of departure of the 28th Governor.

Question: Governor, last week we heard you say very firmly that certain items would not be handed over to the Chinese in relation to civil service files but there was a piece in the paper this morning that was a bit confusing about that. Can you say as exactly as you can at the moment please, what it is that you are willing to handover to the Chinese and what things you are not willing to handover to the Chinese until what you regard is the appropriate moment? I know you've said this many times but there was this impression in the paper this morning that somehow there was some kind of rethink or something. If it's the same as last week, you can just say it's the same as last week.

Governor: It's the same as last week. But I do hope that we can, as it were, continue the discussion in the JLG. I don't think that either Director Lu or myself would want this discussion to continue at a high decibel count in public. I think both of us would recognise that it's unsettling for civil servants. Complicated and sensitive issues become the playthings of propaganda departments, which doesn't, I suspect, help to resolve them in a sophisticated, flexible, compassionate way and I hope that we can carry the discussions forward now in the JLG without any more statements being made which unsettle civil servants.

Question: You talked of 'manned' and then added 'womaned' and I wondered if I might offer you the word 'staffed'. Can I also perhaps offer you the word 'business people' instead of the word 'businessmen' or 'businessman'. But that hasn't to do with my question.

You emphasised the importance of the rule of law and you also expressed the hope that wealth in Hong Kong didn't give people extra privilege and I wondered what plans you had to make the law of Hong Kong more accessible to ordinary people?

Governor: I stand corrected on the phraseology which goes well beyond political correctness, I recognise, and you make a perfectly reasonable point.

On the second question, which I guess is an issue not just for Hong Kong but for the United Kingdom, the United States, most if not all members of the European Union, indeed I would guess most OECD countries, I hope that the proposals we have put forward on reforming the organisation of legal aid and the provision of legal aid will be of some assistance but I recognise that very often the costs of going to law and the sometimes cultural barriers that people find themselves having to clamber over in order to go to law, both create problems and they are problems that we need to address very vigorously. Because the rule of law isn't just something which guarantees that people will stand by their contracts. The rule of law isn't just something which makes business and investment rather safer. The rule of law is the defining element in a decent and civilised society and it has to apply to everyone however rich or poor they may be. I don't think in any community where the rule of law applies, it is yet possible to point to a sufficiently vigorous administrative structure which makes certain that the rule of law touches the lives of the poorest and neediest as well as others. It has to do with counselling, it has to do with the provision of services, it has to do with access, it has to do with cultural access, it has to do with education, and those are all issues on which we are perhaps coming later than some, in Hong Kong.

Question: I wanted to ask a question on property prices. On property prices, Governor, the interest rate has gone up, which you mention is a function of the linkage of the exchange rates and so there is no interference in that market but there has been interference in the market on property prices to make apartments more affordable. As banks have limited mortgages to 70% would there be any time when the Government would feel it appropriate to interfere in the mortgage market, to instruct banks to make it easier to borrow so that people can buy apartments because as prices have come down, interests rates have come up and transactions are very much down and apartments are still not being bought, they're going unsubscribed?

Governor: No, if I'd wanted to become a banker I'd have done so and doubtless have been adequately rewarded for my pains. I said in my speech that I didn't believe in intrusive intervention in markets when they were going up or coming down. I certainly don't believe in intrusive interference in the operation of banks or other financial institutions. If governments start to interfere in that way, sooner or later, if things go wrong with banks and financial institutions, the public or the banks and financial institutions ask the Government to pick up the tab and that is not something which I think is healthy and it doesn't have any part in a free market economy such as this one mostly is.

End/Monday, January 23, 1995

Statement on ICC meeting.

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The Infrastructure Co-ordinating Committee held its first plenary session in Guangzhou today (Monday).

Both sides gave briefings on their respective infrastructure projects with cross-border implication.

It was agreed that four panels would be set up as follows:

a) Railway Panel

Leader of British side :

Mr Haider Barma, Secretary for Transport

Leader of Chinese side :

Mr Chai Puan, Deputy Head of External Co-operation Department,  
Ministry of Railways

b) Roads and Bridges Panel

Leader of British side :

Mr A G Eason, Secretary for Planning, Environment and Lands

Leader of Chinese side :

Mr Mao Jiaan, Head of Planning Department, Ministry of  
Communications

c) Air Traffic Control Panel

Leader of British side :

Mr Gordon Siu, Secretary for Economic Services

Leader of Chinese side :

Mr Ma Xiaowen, Head of Hong Kong, Macau and Taiwan Department,  
Civil Aviation General Administration

d) Panel on Marine Channels

Leader of British side :

Mr Gordon Siu, Secretary for Economic Services

Leader of Chinese side :

Mr Mao Jiaan, Head of Planning Department, ministry of Communications

Both sides also agreed to arrange site visits to major projects in Shenzhen, Zhuhai and Hong Kong in early March, and to hold a seminar in Hong Kong on cross-border infrastructure co-ordination. Experts and advisers would be invited to attend the seminar.

It was initially agreed that the second meeting of the Committee would be held in April.

End/Monday, January 23, 1995

139 nominations received for municipal council elections

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A total of 139 nominations were received for the municipal council elections after the 15-day nomination period closed today (Monday).

There were four withdrawals of nominations. They are Mr Tong Sze-Hung, Kenny and Mr Kwok Tin-loi, Samuel of Fanling and Sha Ta; Mr Lau San-ching of Kowloon City North; and Mr Lau Kong-wah of Sha Tin South.

Of the remaining 135 nominations, 114 are from male candidates and 21 from female candidates.

Ninety-six are incumbent members of district boards, municipal councils and the Legislative Council. Six are LegCo members.

Seven constituencies are uncontested. They are Aberdeen and Bays Area, Sham Shui Po Central, Sham Shui Po East, Wang Tau and Lok Tin, Tai Po Central, Sai Kung Rural and Tak Fu, and Islands.

Eighteen nominations were received on the last day of nomination today.

The breakdown of nominations by district is as follows:

Central and Western	4
Wan Chai	6
Eastern	17
Southern	5
Yau Tsim Mong	9
Sham Shui Po	4
Kowloon City	8
Wong Tai Sin	9
Kwun Tong	13
Tsuen Wan	9
Tuen Mun	8
Yuen Long	7
North	5
Tai Po	5
Sai Kung	3
Sha Tin	14
Kwai Tsing	8
Islands	1
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Total	135

End/Monday, January 23, 1995

#### Consumer Price Indices for December 1994

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The Consumer Price Index (A) in December 1994 was 8.9% higher than in December 1993, according to figures released today (Monday) by the Census and Statistics Department.

This was higher than the corresponding increase of 8.6% in November.

Commenting on the CPI figures, a Government spokesman pointed out that, the faster increase in the CPI(A) in December was mainly due to higher prices of vegetables, as supplies were affected by unstable weather conditions during the month. The prices of vegetables rose by 19% in December over a year earlier. In October and November, the prices of vegetables decreased by 26% and 10% respectively over the same months in the preceding year.

The rate of increase in the Consumer Price Index (B), at 9.5% in December, was the same as that in November.

As to the Hang Seng CPI, the increase decelerated from 10.6% in November to 10.3% in December.

The slower increase in the Hang Seng CPI in December than in November was mainly due to a moderation in charges of meals bought away from home and in private housing rentals, which more than offset the effect of higher vegetable prices. The rates of increase in the prices of other components of the CPI(A) remained broadly similar to those recorded in November.

For 1994 as a whole, the rate of increase in the CPI(A) averaged at 8.1%. This was lower than the increase of 8.5% recorded in 1993.

The Composite CPI, which is compiled based on the combined expenditure pattern of households covered by the three CPIs, showed an increase of 9.5% in December 1994 over the same month in 1993. This was the same as the corresponding increase in November.

Comparing December 1994 with December 1993, relatively faster price increases than the overall average were recorded for housing (12.3% in the CPI(A) and 14.1% in the CPI(B)); miscellaneous services (12.6% and 11.8%); and clothing and footwear (9.7% and 10.1%).

On the other hand, relatively slower price increases than the overall average were recorded for durable goods (2.5% in the CPI(A) and 2.8% in the CPI(B)); alcoholic drinks and tobacco (4.7% and 5.3%); fuel and light (5.4% and 5.5%); food (excluding meals bought away from home) (7.5% and 7.0%); transport (7.5% and 7.0%); meals bought away from home (7.6% and 7.4%); and miscellaneous goods (8.4% and 7.3%).

Comparing December 1994 with November 1994, the CPI(A) and CPI(B) increased by 1.0% and 0.7% respectively. The corresponding increase for the Composite CPI was 0.8%.

In the fourth quarter of 1994, the CPI(A) and CPI(B) were, on average, higher by 8.5% and 9.3% respectively over a year earlier. The corresponding increase for the Composite CPI was 9.3%.

For 1994 as a whole, the CPI(A) and CPI(B) were, on average, higher by 8.1% and 8.6% respectively than in 1993. The corresponding increases for the Hang Seng CPI and Composite CPI were 10.0% and 8.8%.

Seasonally adjusted series are also available for the CPIs. The deseasonalised CPI(A) and CPI(B) increased at an average rate of 0.8% and 0.9% per month respectively during the three months ended December 1994. The corresponding increase for the Composite CPI was 0.9%.

More details are given in the "Consumer Price Index Report" for December 1994, which is available at \$16.5 per copy from the Government Publications Centre, Queensway Government Offices, Low Block, Ground Floor, 66 Queensway, Hong Kong; or from the Publications Section 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, French Mission Building, 1 Battery Path, Hong Kong.

For enquiries about the indices, please telephone the Consumer Price Index Section of the Census and Statistics Department at 2805 6403. Details regarding the Hang Seng CPI are contained in the Hang Seng CPI Report issued by the Economic Research Department of Hang Seng Bank Ltd.

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Table 1 Consumer Price Indices and Rates of Increase for December 1994  
(Oct. 89 - Sep. 90 = 100)

Component	CPI(A)		CPI(B)		Hang Seng CPI		Composite CPI	
	Index for Dec 94	% change over Dec 93	Index for Dec 94	% change over Dec 93	Index for Dec 94	% change over Dec 93	Index for Dec 94	% change over Dec 93
Food	145.9	+7.5	147.3	+7.2	150.7	+8.5	147.3	+7.6
Meals bought away from home	154.8	+7.6	154.7	+7.4	158.0	+9.3	155.5	+7.9
Food, excluding meals bought away from home	136.9	+7.5	137.1	+7.0	138.2	+7.0	137.2	+7.2
Housing	174.5	+12.3	178.6	+14.1	181.8	+14.1	178.3	+13.6
Fuel and light	127.9	+5.4	127.4	+5.5	127.6	+5.6	127.7	+5.5
Alcoholic drinks and tobacco	190.0	+4.7	179.9	+5.3	174.9	+5.2	184.3	+5.0
Clothing and footwear	146.2	+9.7	148.3	+10.1	165.5	+12.5	153.6	-10.9
Durable goods	114.2	-2.5	114.2	+2.8	120.0	+2.6	115.9	+2.7
Miscellaneous goods	139.0	+8.4	134.3	+7.3	132.4	+7.1	135.5	+7.7
Transport	150.9	+7.5	149.6	+7.0	149.1	+7.1	149.9	+7.2
Miscellaneous services	168.6	+12.6	162.6	+11.8	151.6	+9.8	161.1	+11.5
All items	153.0	+8.9	154.3	+9.5	158.1	+10.3	154.8	+9.5

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 1989/90-based consumer price indices are based on those patterns derived from the 1989/90 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 \$2,500-\$9,999 in 1989/90 (broadly equivalent to \$3,600-\$14,600 at 1994 prices). The CPI(B) is based on the expenditure pattern of the next 30% of households, which had an average monthly expenditure of \$10,000-\$17,499 in 1989/90 (broadly equivalent to \$14,600-\$26,000 at 1994 prices). The Hang Seng CPI is based on the expenditure pattern of the next 10% of households, which had an average monthly expenditure of \$17,500-\$37,499 in 1989/90 (broadly equivalent to \$26,000-\$56,000 at 1994 prices).

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 for January 1992 - December 1994  
(Oct. 89 - Sep. 90 = 100)

<u>Year/month</u>	<u>CPI(A)</u>	<u>CPI(B)</u>	<u>Hang Seng CPI</u>	<u>Composite CPI</u>
1992 January	119.7	119.3	119.4	119.5
February	121.8	121.2	121.0	121.4
March	122.5	121.9	121.8	122.1
April	124.0	123.4	122.9	123.5
May	124.0	123.8	124.2	124.0
June	125.3	125.1	125.2	125.2
July	125.5	125.4	125.4	125.4
August	125.6	125.9	125.8	125.8
September	128.3	127.9	127.5	128.0
October	128.4	128.4	128.6	128.5
November	128.5	129.0	129.9	129.0
December	129.3	129.8	130.0	129.7
1993 January	131.8	131.6	131.5	131.7
February	132.4	132.2	132.0	132.2
March	132.0	132.2	133.1	132.4
April	133.5	133.9	134.5	133.9
May	134.5	134.8	136.3	135.1
June	136.0	135.9	137.1	136.3
July	135.8	136.1	136.9	136.2
August	136.3	136.6	137.4	136.7
September	138.4	138.3	139.2	138.6
October	140.0	139.6	140.7	140.0
November	139.4	139.9	142.2	140.3
December	140.4	140.9	143.3	141.3
1994 January	140.0	140.7	143.4	141.1
February	142.7	142.9	144.9	143.3
March	142.5	143.0	145.3	143.4
April	143.8	144.8	147.9	145.2
May	145.0	146.1	150.0	146.7
June	146.2	146.9	151.0	147.7
July	147.3	147.9	150.5	148.3
August	149.6	149.6	151.7	150.1
September	150.3	150.8	153.4	151.3
October	151.1	152.2	155.3	152.6
November	151.4	153.1	157.3	153.5
December	153.0	154.3	158.1	154.8

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

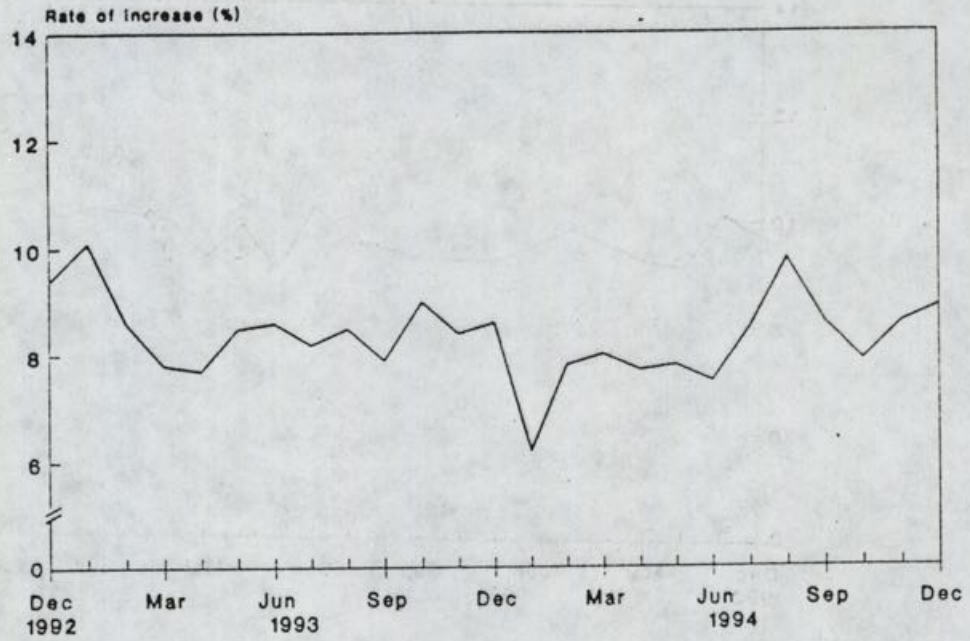


Chart 2 Year-on-year Rates of Increase  
in CPI(B)

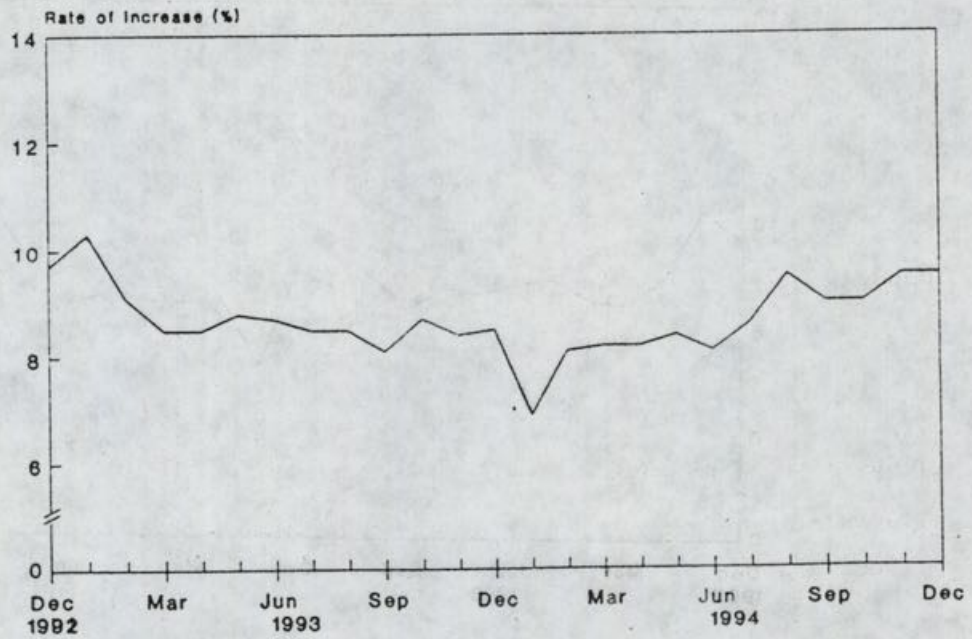


Chart 3 Year-on-year Rates of Increase  
in Hang Seng CPI

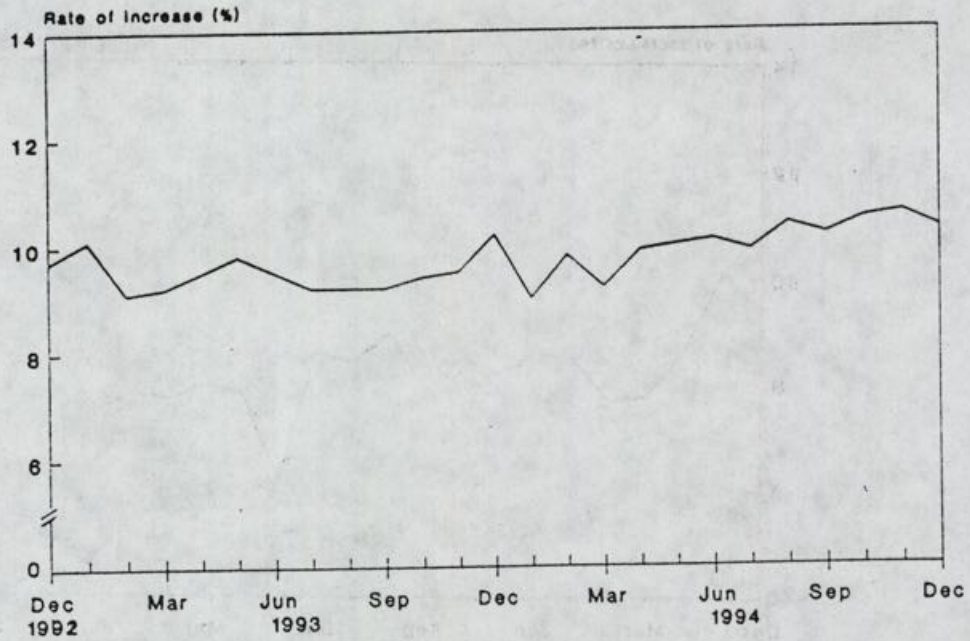
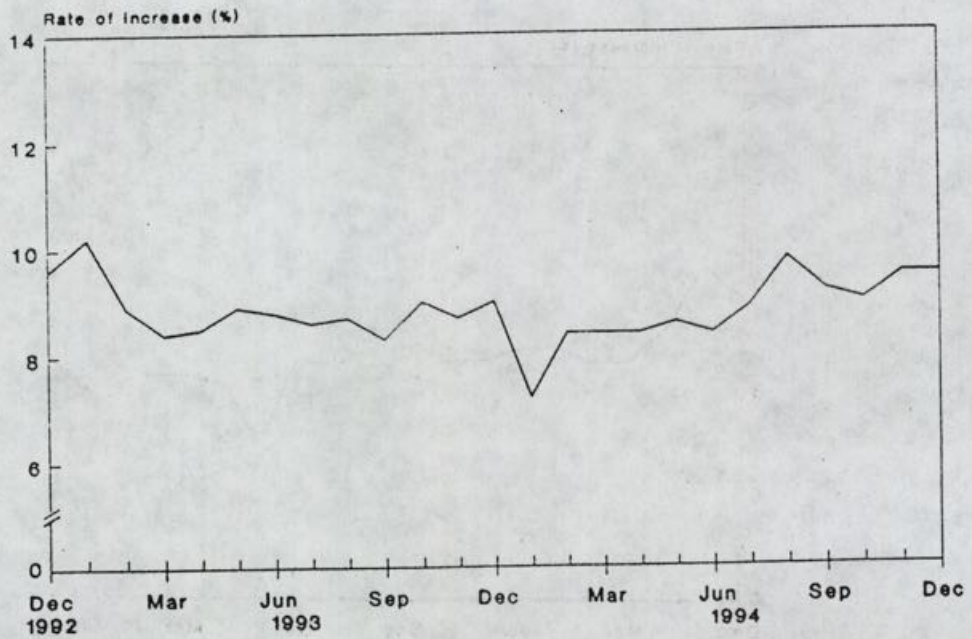


Chart 4 Year-on-year Rates of Increase  
in Composite CPI



End/Monday, January 23, 1995

The new Education Commission meets today

\* \* \* \* \*

The new term of the Education Commission had its first meeting today (Monday) to consider its programme of work in the coming two years. This will cover Education Commission Report No. 6 (ECR6) on Language Proficiency; ECR7 on Quality in School Education; the review of the case for a General Teaching Council; and the co-ordination of reviews of compulsory and post-compulsory education.

Speaking after the meeting, the Commission Chairman, Professor Rosie Young, said "the Commission had made a good start in its new term of office".

"We reconfirmed the broad principles for a language improvement strategy, which we shall pursue further in ECR6," Professor Young said. "These principles are -

- \* a strategy of failure prevention in primary education;
- \* approaches to the learning of both Chinese and English in primary schools, which take full account of the complex language situation our children face;
- \* better public understanding of effective language development in a bilingual/trilingual environment; and
- \* more professional involvement by teachers and other educators.

They will serve as guidelines for drafting ECR6."

It is expected that the Commission will finalise ECR6 in the first half of 1995, and publish it before the summer for another round of consultation.

"We also decided to set up a working group to review the case for a General Teaching Council in Hong Kong," Professor Young said.

"The working group will comprise Commission and non-Commission members, and will be chaired by a Commission member who is not directly working in the field of education.

"We have asked Members to indicate their interest to join the working group and to suggest names of people who could be invited to join as co-opted working group members."

Professor Young said "the working group will be set up in February, and its first task will be to review the case for setting up a General Teaching Council with official legislative backing."

Terms of reference of the Working Group are:

- (1) to review background to and the need for the establishment of a General Teaching Council;
- (2) depending on the outcome of the review at (1) above, to make proposals regarding the establishment of a statutory Council including its objectives, powers and duties, membership criteria and governance arrangements; and
- (3) to submit recommendations to the Education Commission as soon as possible on Terms of Reference (1) and by the end of 1995 on Terms of Reference (2).

"We had a slide presentation from the Secretary of the Commission, Mr Chris Godwin, on the 'knowledge revolution', which stimulated a very lively discussion of education reform issue. This will be a useful lead-in to our discussion of the reviews of compulsory and post-compulsory education at the next meeting," said Professor Young.

"The Commission will begin these reviews as soon as possible, bearing in mind the need to complete the current three studies," Professor Young said.

"One key feature of the reviews is that we shall try to stimulate wide discussion and debate on the key issues among all relevant advisory bodies, executive agencies, educational bodies, and parents' and employees' organisations.

"We hope in this way to develop ideas from the bottom up, working together with front-line educators and other interested people."

End/Monday, January 23, 1995

Companies Registry releases 1994 figures

\* \* \* \* \*

The total number of companies registered under the Companies Ordinance in 1994 had reached 452,789, nine per cent more than 415,911 at the end of 1993.

The number of new companies registered during the year was 42,723, 19,108 fewer than 1993.

These mixed results for the calendar year 1994 by comparison with 1993 were shown in figures released by the Registrar of Companies, Mr Gordon W E Jones, today (Monday).

The total number of overseas companies registered under part XI of the ordinance stood at 3,956 at the end of the year, 412 more than 1993.

The number of new overseas companies establishing a place of business in Hong Kong and registered under Part XI of the ordinance in 1994 was 573, an increase of 15 per cent over 1993.

The total amount secured by charges registered on the assets of companies decreased by 10 per cent from \$67,673 million to \$60,790 million whereas the number of charges filed had increased by two per cent from 32,657 to 33,224.

The amount repaid on charges, as evidenced by Certificates of Satisfaction, increased by six per cent from \$21,515 million to \$22,838 million, and the number of certificates had increased by six per cent from 19,073 to 20,263.

During the year a total of 195 prospectuses of public companies, including 58 in respect of mutual funds, were registered compared with 168 prospectuses, including 52 in respect of mutual funds, during the previous year.

The total number of documents received for filing during the year decreased by seven per cent from 1,294,918 to 1,199,830. The number of searches made by the public during 1994 as compared with that in 1993 increased by seven per cent from 1,842,566 to 1,972,513.

The total number of summonses issued by the Registrar of Companies in 1994 against companies and their directors for breaches of the Companies Ordinance, mainly for late filing of returns of alteration made in the directors or secretary of an overseas company or in their particulars, was 205.

Another 42 summonses were outstanding from 1993.

Of the 247 summonses, 196 resulted in convictions (compared with 192 in 1993) and 25 remain to be heard by the court.

The total amount of fines imposed for convictions in 1994 was \$2,874,745 compared with \$1,580,525 in 1993.

End/Monday, January 23, 1995

Three lots for sale

\* \* \* \* \*

The Lands Department will auction three lots of land on Hong Kong Island and in the New Territories on January 25 (Wednesday).

The public auction will begin at 2.30 pm in the Concert Hall of the Hong Kong Cultural Centre, Tsim Sha Tsui.

The first lot, on Ap Lei Chau Praya Road, has an area of 16,770 square metres for industrial or godown purposes, excluding offensive trades.

The second lot, in Area 19, Fanling, has an area of 11,280 square metres for non-industrial use, excluding residential, hotel, godown and petrol-filling station purposes, but including commercial uses, a public transport terminus, a public car park, a car park ancillary for commercial use, a day nursery and a social centre for the elderly.

Covering an area of 6,500 square metres for residential use, the third lot is in Area 46 at the junction of Ma Lok Path and Kau To Shan Road, Sha Tin.

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Attention News Editors:

Your representatives are invited to cover the auction.

A press area will be designated. Photographers are advised to bring along telephoto lenses.

End/Monday, January 23, 1995

Postal services during Lunar New Year

\* \* \* \* \*

The Postmaster General, Mr Mike Pagliari, today (Monday) announced that a special mail delivery would be provided on the third day of the Lunar New Year (February 2, Thursday).

No delivery would be made on the first and the second day of the Lunar new Year (January 31 and February 1).

All post offices would be closed during the New Year holidays.

End/Monday, January 23, 1995

Lunar New Year holidays clinic services

\* \* \* \* \*

The Department of Health today (Monday) announced special arrangements of general out-patient services for the coming Lunar New Year Holidays.

There will be no clinic service on January 31 (Lunar New Year's Day) and February 1.

However, eight general out-patient clinics will be open between 9 am and 1 pm on February 2 (Thursday)

The clinics are the Violet Peel Health Centre and Shau Kei Wan Jockey Club Clinic on Hong Kong Island; the Kwun Tong Jockey Club Health Centre, the Robert Black Health Centre and Yau Ma Tei Jockey Club Clinic in Kowloon; and the Lady Trench Polyclinic, Shek Wu Hui Jockey Club Clinic and Yuen Long Jockey Club Health Centre in the New Territories.

On the other hand, the evening clinic service will be suspended between January 30 (the day preceding Lunar New Year's Day) and February 2.

End/Monday, January 23, 1995

New hotline for seekers of airport-related jobs

\* \* \* \* \*

The Labour Department today (Monday) urged local construction workers looking for airport-related jobs to make use of a new "jobs hotline" 2492 2001.

Senior Labour Officer (Employment Services) Mr Raymond Chan said the new hotline was easier to remember than the previous one.

He also said the Local Employment Service (LES) of the department had been actively helping local construction workers to find jobs in the new airport and related projects.

"To protect the interests of local construction workers, contractors applying for imported workers under the Airport-related Special Labour Importation Scheme are required to register their vacancies with the LES," he said.

As a standing practice, information on job vacancies are displayed in all the nine LES offices throughout the territory.

The LES will also send the vacancy information to over 20 relevant trade unions, inviting their members to apply for the jobs.

"To make sure that local workers are given priority in filling the vacancies, contractors who have set restrictive recruitment requirements will be advised to relax the requirements.

"Failure to do so may result in the refusal of applications for imported workers," Mr Chan said.

Applications from employers found to have no sincerity in employing local workers will also be rejected.

Mr Chan urged local construction workers interested in airport-related jobs to use the "jobs hotline" or visit any of the LES offices.

End/Monday, January 23, 1995

### Fishermen urged not to use dynamites or cyanide

\* \* \* \* \*

Local fishermen have been reminded regularly not to use dynamites or poisonous substances including cyanide in fishing at Hong Kong and other territorial waters to avoid breaking the law and damaging the marine environment.

The latest reminder came from a seminar organised for fishermen from Kat O, Sai Kung and Tai Po by the Agriculture and Fisheries Department (AFD) earlier today (Monday).

Commenting on the appeal, the department's senior fisheries officer Mr Joseph Sham said it was against the law in Hong Kong to use dynamites or poisonous substances including cyanide in fishing at local waters.

Mr Sham said: "Under the Fisheries Protection Ordinance, any person using dynamites or poisonous substances in fishing would be liable to a maximum fine of \$10,000 and six months' imprisonment.

"Apart from breaking the law, fishermen using these methods in fishing could endanger theirs and other people's lives, cause serious damage to the marine environment and reduce fish landings."

To enforce the law and help protect the territory's marine environment and fishery resources, Marine Police and AFD have stepped up patrols in Hong Kong waters, he said.

On the conservation side, AFD has been working actively on the establishment of marine parks and marine reserves. It is also exploring the feasibility of deploying more artificial reefs in the territory.

These measures will help conserve the marine environment and upgrade fishery resources, he added.

Mr Sham also called on fishermen to observe marine regulations of neighbouring countries when fishing in their or international waters.

The maximum penalty for people convicted of using dynamites in fishing at waters in some Southeast Asian nations could be as high as life imprisonment, he added.

Today's seminar, held at the Tai Po Wholesale Fish Market, is the last in a series of talks organised by AFD for fishermen. It is aimed at reminding them to fish with lawful and environmentally friendly methods.

The previous seminars, held between September last year and earlier this month for fish folk at Aberdeen, Cheung Chau and Sha Tau Kok, were well received.

End/Monday, January 23, 1995

Company appointed to handle Speedpost items in France

\* \* \* \* \*

The Post Office has appointed Jet Services Courier S.A. to undertake customs clearance and delivery of Speedpost items in France from February 6.

The Postmaster General, Mr Mike Pagliari, said the appointment was necessary following a decision by the postal administration of France to withdraw from the international postal EMS network (known as Speedpost in Hong Kong) and to terminate its existing obligations to other postal administrations to deliver EMS items within its territories at a later date.

The company was recommended by the Universal Postal Union after a rigorous selection process.

"Its service has been carefully tested by the Hong Kong Post Office and found to be both satisfactory and reliable.

"The Post Office is confident that this company will be able to maintain the high standard of service currently provided to Speedpost items destined for France," he said.

End/Monday, January 23, 1995

Public reminded not to cut trees

\* \* \* \* \*

The public was today (Monday) reminded not to cut trees or plants in the countryside for decorations during the Lunar New Year period.

Country Parks Protection Officer of the Agriculture and Fisheries Department, Mr Edmond Lam Yui-fong, said cutting trees or plants in the countryside was an offence under the Forests and Countryside Ordinance.

The maximum penalty for violation of the Ordinance is a \$25,000 fine and one-year imprisonment.

"Although the public are now more aware of the importance of conserving the countryside, there are reports of people picking flowers or cutting plants," he said.

He reminded people going to country parks during the Lunar New Year period not to damage any plants there.

Wild flowers and trees are best appreciated in their natural habitat, he said.

Mr Lam also appealed to members of the public to report to the nearest country park management centre if they spotted such illegal activities.

End/Monday, January 23, 1995

Immigration mobile office temporarily suspended

\* \* \* \* \*

The Immigration Department announced today (Monday) that the services of birth, marriage registration and applications for immigration facilities provided by the Immigration Mobile Office at Sai Kung will be suspended for one day next Monday (January 30).

"The temporary suspension of services is because of the preparation for the Spring Season Social Gathering by the Sai Kung Rural Committee on January 30," a spokesman for the Immigration Department said.

"The service will be resumed on February 6 (Monday)," the spokesman added.

Members of the public who wish to make enquiries may telephone 2842 6111 or use the enquiry faxline 2877 7711.

End/Monday, January 23, 1995

First quarter rates due on January 30

\* \* \* \* \*

Rates for the first quarter of this year are payable on or before January 30, a spokesman for the Treasury said.

Payment can be made using the Payment by Phone Service or by post addressed to the Director of Accounting Services, P.O. Box 8000, GPO, Hong Kong, or in person at any of the following offices:

- \* The Treasury Headquarters Collection and Payment Office, Immigration Tower, 1st Floor, 7 Gloucester Road, Wan Chai, Hong Kong;
- \* The Central Sub-Treasury, Central Government Offices (West Wing), 11 Ice House Street, Hong Kong;
- \* The North Point Sub-Treasury, Max Share Centre, 1st Floor, 373 King's Road, North Point, Hong Kong;
- \* The Sai Wan Ho Sub-Treasury, Eastern Law Courts Building, Ground Floor, 29 Tai On Street, Sai Wan Ho, Hong Kong;
- \* The Yau Ma Tei Sub-Treasury, Kowloon Government Offices, 4th Floor, 405 Nathan Road, Kowloon;
- \* The Kowloon City Sub-Treasury, Man Sang Commercial Building, 1st Floor, 348-352 Prince Edward Road, Kowloon;
- \* The District Office at Sai Kung, Sha Tin, Tai Po, North, Yuen Long, Tuen Mun, Tsuen Wan or Kwai Tsing.

The spokesman said ratepayers who had not received their demand notes should bring along those for any previous quarter to any of the Treasury collection offices.

Duplicate demand notes will be issued to them, he said.

If they cannot produce demand notes for any previous quarter, they should enquire of the Treasury Rates Section, Immigration Tower, 30th Floor, 7 Gloucester Road, Wan Chai, Hong Kong.

Non-receipt of the demand notes does not alter the requirement that the rates must be paid by January 30 and unless so paid, ratepayers may be subject to a surcharge of five per cent under section 22 of the Rating Ordinance.

A further surcharge of 10 per cent may be levied on the outstanding amount (including the five per cent surcharge) which remain unpaid six months after the due date.

Ratepayers who have submitted a valid direct debit authorisation should note that if the wording "Payment to Be Made By Autopay" is shown, payment will be made by direct debit to their bank accounts on January 30.

They should then ensure that their bank accounts contain the necessary funds on that date.

If the above wording is not shown, they should pay according to the instructions as set out in the demand notes.

Rates are payable on vacant properties but are refundable under the conditions as specified in section 30 of the ordinance.

Under sections 30(1A) and (2A), however, no refunds will be made in the case of vacant tenement last used or intended to be used wholly or primarily for domestic purposes or for the parking of vehicles (unless vacant by reason of an order of the Government).

To save queuing time, the spokesman urged ratepayers to use the Payment by Phone Service, or pay by post using cheques or cashier orders, or by early personal attendance at any of the collection offices.

"However, the most convenient payment method is autopay," he said.

Applications for autopay are obtainable from Treasury collection offices, District Offices and all major banks in Hong Kong or by telephoning 2829 5019.

For additional information regarding the Payment by Phone Service, please call 1702 22329.

End/Monday, January 23, 1995

**Water storage figure**

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 70.7 per cent of capacity or 414.184 million cubic metres.

This time last year the reservoirs contained 389.303 million cubic metres of water, representing 66.4 per cent of capacity.

End/Monday, January 23, 1995

**Hong Kong Monetary Authority tender results**

\*\*\*\*\*

Tender date	23 Jan 95
Paper on offer	EF notes
Issue number	3801
Amount applied	HK\$2,860 MN
Amount allotted	HK\$500 MN
Average price (yield) accepted	98.88 (8.61 PCT)
Lowest price (yield) accepted	98.88 (8.61 PCT)
Pro rata ratio	About 50 PCT
Average tender price (yield)	98.63 (8.71 PCT)

End/Monday, January 23, 1995

Hong Kong Monetary Authority money market operations

\*\*\*\*\*

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	3,303	0930	-1,289
Closing balance in the account	3,389	1000	-989
Change attributable to :		1100	-19
Money market activity	-188	1200	+215
LAF today	+274	1500	-188
		1600	-188

LAF rate 3.75% bid/5.75% offer TWI 121.0 \*+0.1\* 23.1.95

Hong Kong Monetary Authority

EF bills		EF notes/Hong Kong Government bonds				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	6.83	16 months	2605	6.35	98.28	7.89
1 month	6.88	22 months	2611	6.90	98.15	8.17
3 months	6.98	27 months	3704	6.15	95.78	8.39
6 months	7.16	33 months	3710	7.25	97.23	8.56
12 months	7.62	59 months	5912	8.15	97.26	9.04

Total turnover of bills and bonds - \$32,652 MN

Closed January 23, 1995

End/Monday, January 23, 1995