



DAILY INFORMATION BULLETIN

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Governor's statement

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The following is a statement by the Governor, the Rt Hon Christopher Patten today (Monday):

It is reported that the Standing Committee of the National People's Congress has now endorsed the recommendations from the Preparatory Committee to repeal certain provisions of the Bill of Rights Ordinance, the Societies (Amendment) Ordinance and the Public Order (Amendment) Ordinance.

It has been clear throughout the debate on these ill-advised proposals that those responsible for them were determined to press ahead regardless of the strong and consistently expressed view throughout the community that Hong Kong's civil liberties should not be rolled back in this way. So we should perhaps not be surprised that those applying the rubber stamp behind closed doors in Peking have, like the Preparatory Committee itself, shown themselves deaf to the almost unanimous voice of the people of Hong Kong.

There can be no illusions about the consequences of this decision. It casts doubt on the freedoms and autonomy which have been promised to Hong Kong, and the rule of law on which they are based. It will cause legal confusion and invite legal challenge. It undermines the credibility around the world of the "one country two systems" model, even before the Hong Kong Special Administrative Region comes into being.

But it is still not too late to repair at least some of this completely unnecessary damage. The Chief Executive (Designate) has promised that new legislation will be put forward in due course to replace the repealed provisions, and that this will take account of the views of the Hong Kong public as expressed through a consultation exercise. It is important this consultation be conducted openly and without political preconditions, and that the resulting legislative proposals should accurately reflect the views of the community. This should not be difficult to achieve. It is already crystal clear that what the community wants to see is the preservation of Hong Kong's current civil liberties, in line with the International Covenants, with the promises made in the Joint Declaration and enshrined in the Basic Law, and with the legitimate needs and expectations of a modern, open society.

End

Government's unemployment figures are correct

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In response to the claim by the Hong Kong Federation of Trade Unions (FTU) that the Government had "concealed" the actual unemployment rate, the Commissioner for Census and Statistics, Mr Frederick Ho, said today (Monday) that in making the claim, the FTU had some misunderstanding.

According to the FTU, which quoted a recent report on Labour Mobility published by the Census and Statistics Department, there were some 161,000 economically inactive persons in late 1995 who should be considered as unemployed persons. On this basis, the recent unemployment rate should be around 7.5 per cent instead of 2.5 per cent.

Mr Ho said: "According to the internationally accepted definition of unemployment, as recommended by the International Labour Organisation, which has always been closely followed in Hong Kong, for a person aged 15 or over to be classified as unemployed, that person should (a) be without a job, and (b) be available for work, and (c) have sought work during the 30 days before enumeration.

"This definition further stipulates that in applying the above criteria, for a person who has not sought work, he or she is still an unemployed person if the reason for not seeking work is that work is believed to be not available. In this case, the person concerned is a 'discouraged worker'.

"People who are neither employed nor unemployed constitute the 'economically inactive population'."

FTU has argued that since the 161,000 persons without a job have been reported to be "willing to take up jobs", they should be classified as "unemployed".

Mr Ho pointed out that in the enquiry concerned, these persons had been confirmed to be economically inactive through a series of questions (e.g. whether available for work, and if not, reasons for non-availability), meeting the requisite definitions. The key point to be determined for this series of questions is that they have not sought work and they are different from "discouraged workers".

Mr Ho continues to explain that during the enquiry, even though persons who are identified as not actively seeking work and hence are categorised as economically inactive persons, still a question is asked on whether they would be willing to take up jobs if being offered suitable employment. The enquiry also asked about the terms and conditions under which they are willing to take up jobs (e.g. pay level; working hours). The main results from this enquiry indicate that these people may be interested in taking up jobs on specific terms. Under such circumstances, these people are not regarded as unemployed under the internationally accepted definition of unemployment.

Mr Ho points out that the statistics published in the Labour Mobility report are additional to those on the economically active population regularly published, and hence should be of use to a more detailed understanding of the labour supply situation.

End

Consultation paper on civil liability for unsafe products

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A sub-committee of the Law Reform Commission today (Monday) published a consultation paper on proposals to reform the law governing compensation for injury and damage caused by defective or unsafe goods.

In December 1995, the Sub-committee on Civil Liability for Unsafe Products was formed and included among its members lawyers, academics, and prominent figures representing both business and consumer interests. The sub-committee is chaired by Ms Audrey Eu QC.

Ms Eu said that product safety was an issue which touched upon almost every person, and continual efforts had been made to protect the public from unsafe or defective products. Ms Eu mentioned as an example of such efforts the recently enacted Consumer Goods Safety Ordinance (Cap. 456) which had afforded greater protection to the public by imposing a duty on manufacturers, importers and suppliers of certain consumer goods to ensure that the goods comply with the approved safety standard or are reasonably safe having regard to all the circumstances.

Yet, according to Ms Eu, persons who suffered injury or damage caused by unsafe products would find themselves faced with many technical hurdles when making their claims for compensation under the existing law. Ms Eu also said that the emerging international trend was towards enacting strict product liability legislation to supplement the traditional contract and negligence law, and Hong Kong was lagging behind many jurisdictions, including the EC countries, the United States, Australia and Japan.

The interim recommendations in the consultation paper are mainly:-

The law governing compensation for injury and damage caused by defective or unsafe goods should be expanded beyond the existing spheres of contract law and negligence law.

The proposed new form of liability should be based on the defect approach, which means that a product is regarded as defective if it does not meet the standard of safety that persons generally are entitled to expect.

The standard of safety required should be judged by reference to the standard of the general public instead of the claimant.

The standard of safety required should be judged at the time the product was put into circulation.

Manufacturers, producers, own-branders and importers should be jointly and severally liable to claimants. As for wholesalers, distributors and retailers, they would be liable only if they fail to identify within reasonable time the person who supplied the product to them.

The proposed new form of liability should cover all kinds of movable products subject to products expressly included or excluded. Unprocessed natural products and game, and component parts should also be covered.

Any injured person, whether or not he is party to a contract, and whether or not he is a user of the product or a mere bystander, should be covered by the proposed new form of liability.

Specific defences should be made available to protect legitimate business interests. Such defences include compliance with statutory standards, the product was not supplied by the defendant, the product was supplied otherwise than in the course of business, the defect did not exist at the time of supply. The defendant would have a partial defence if the damage is caused partly by the fault of the claimant.

The defendant should also have a defence if the state of scientific and technical knowledge at the time of supply did not enable the defect to be discovered.

Compensation under the proposed new form of liability should not be subject to any maximum or minimum limits, but provisions should ensure that a claimant cannot recover twice for the same injury or damage.

Claimants should commence legal action within both the three-year and the ten-year limitation periods, which should be adopted for all products. The court should have the discretion to extend both the three-year and the ten-year limitation periods if it is equitable to do so.

The consultation paper is issued to elicit comments on the interim recommendations made by the Sub-committee. Anyone who wishes to obtain a copy of the consultation paper should write to the Secretary, The Law Reform Commission, 20th Floor, Harcourt House, 39 Gloucester Road, Wan Chai, Hong Kong. The consultation paper is also available on the Government home page <http://www.info.gov.hk> (under "topical information : consultation paper").

End

Government team to attend UN hearing

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A four-member Hong Kong Government team led by the Deputy Solicitor General, Mr Stephen Wong, will attend a hearing of the United Nations Committee on the Elimination of Racial Discrimination (CERD) in Geneva on March 3 and 4.

A Government spokesman said today (Monday) that the committee will scrutinise the 14th periodic report on Hong Kong under the International Convention on the Elimination of All Forms of Racial Discrimination, which is an update of developments in the territory since the examination of the 13th report last March.

The 14th report was submitted by the United Kingdom Government to the UN and made public in Hong Kong last November. Copies have been distributed to public libraries and are available at district offices. Its publication has stimulated a positive exchange of views between the non-government organisations (NGO), legislators and the Government.

During the drafting of the report, the Government has invited the Legislative Council, NGOs and other interested parties to express views on the report.

Forming part of the British delegation, the Hong Kong team will answer questions on the implementation of the Convention in the territory and will provide additional information wherever necessary.

"We expect a useful and constructive dialogue between the committee and delegation officials," the spokesman added.

The Convention was ratified by the UK Government in 1969 and was extended to Hong Kong in the same year.

Apart from Mr Wong, the other team members are Principal Assistant Secretary for Home Affairs, Mr John Dean; Principal Assistant Secretary for Security, Mr Raymond Fan and Senior Crown Counsel, Mr Peter Wong.

End

Consumer Price Indices for January 1997

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Consumer price inflation (as measured by the year-on-year rate of increase in the Consumer Price Index (A)) was 6.6% in January 1997, slightly lower than 6.7% in December 1996.

The year-on-year rates of increase in the Consumer Price Index (B) and Hang Seng CPI were also slower in January 1997 than in December 1996 -- 6.3% against 6.5% for the CPI(B); and 5.9% against 6.7% for the Hang Seng CPI.

The Composite CPI, which is compiled based on the combined expenditure pattern of all households, showed a year-on-year increase of 6.3% in January 1997, against 6.6% in December 1996.

The Census and Statistics Department released today (Monday) the Consumer Price Index (CPI) figures for January 1997.

A Government spokesman said that the slightly slower year-on-year increases in the CPI(A) and CPI(B) in January 1997 than in December 1996 were mainly due to slower increases in the prices of some fresh food items and outerclothing.

As for the Hang Seng CPI, the slower increase in January 1997 than in December 1996 was mainly due to slower increase in the prices of outerclothing.

Analysed by component, faster year-on-year increases than the overall average in January were recorded for miscellaneous goods (11.6% in CPI(A) and 8.1% in Composite CPI); housing (9.5% in CPI(A) and 8.9% in Composite CPI); clothing and footwear (9.4% in CPI(A) and 7.8% in Composite CPI); fuel and light (8.1% in CPI(A) and 8.3% in Composite CPI) and miscellaneous services (6.9% in CPI(A) and 6.5% in Composite CPI).

Meanwhile, those components with slower year-on-year increases in prices than the overall average were durable goods (2.0% in CPI(A) and 2.2% in Composite CPI); meals bought away from home (3.6% in CPI(A) and 3.3% in Composite CPI); food (excluding meals bought away from home) (4.2% in CPI(A) and 4.2% in Composite CPI); alcoholic drinks and tobacco (5.4% in CPI(A) and 5.2% in Composite CPI) and transport (6.0% in CPI(A) and 5.6% in Composite CPI).

Comparing January 1997 with December 1996, both the CPI(A) and CPI(B) remained unchanged. On the other hand, the Hang Seng CPI and Composite CPI decreased by 0.5% and 0.1% respectively.

For the three months ended January 1997, the CPI(A) and CPI(B) were, on average, both higher by 6.3% over a year earlier. The corresponding increases for the Hang Seng CPI and Composite CPI were 6.2% and 6.3% respectively.

For the 12-month ended January 1997, the CPI(A) and CPI(B) were, on average, higher by 6.1% and 6.4% respectively than the preceding 12-month period. The corresponding increases for the Hang Seng CPI and Composite CPI were 6.5% and 6.3% respectively.

The seasonally adjusted monthly rates of increase in the CPI(A) and CPI(B) averaged at 0.4% and 0.3% respectively during the three months ended January 1997. The corresponding increases for the Hang Seng CPI and Composite CPI were 0.3% and 0.4% respectively.

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

The Consumer Price Index Report

More details are given in the "Consumer Price Index Report" for January 1997, which is available at \$28 per copy from the Government Publications Centre, Queensway Government Offices, Low Block, Ground Floor, 66 Queensway, Hong Kong; or from the Publications Unit of the Census and Statistics Department, 19/F., Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong. For local and overseas mailings, contact should be made with the Information Services Department, 28th floor, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong.

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

Table 1 Consumer Price Indices and Rates of Increase for January 1997
(Oct. 94 - Sep. 95 = 100)

<u>Component</u>	<u>CPI(A)</u>		<u>CPI(B)</u>		<u>Hang Seng CPI</u>		<u>Composite CPI</u>	
	Index for Jan. 97	% change over Jan. 96	Index for Jan. 97	% change over Jan. 96	Index for Jan. 97	% change over Jan. 96	Index for Jan. 97	% change over Jan. 96
Food	106.1	+3.9	106.4	+3.6	105.7	+3.3	106.2	+3.6
Meals bought away from home	107.5	+3.6	107.1	+3.3	105.7	+2.8	107.1	+3.3
Food, excluding meals bought away from home	104.4	+4.2	105.2	+4.2	105.7	+4.3	104.9	+4.2
Housing	118.3	+9.5	117.9	+8.4	120.4	+9.2	118.8	+8.9
Fuel and light	112.6	+8.1	112.5	+8.2	113.2	+9.0	112.7	+8.3
Alcoholic drinks and tobacco	108.9	+5.4	109.2	+5.3	108.0	+4.5	108.9	+5.2
Clothing and footwear	115.7	+9.4	116.4	+10.0	103.4	+3.5	112.0	+7.8
Durable goods	103.7	+2.0	103.6	+2.5	103.5	+1.8	103.6	+2.2
Miscellaneous goods	107.8	+11.6	106.5	+7.6	104.6	+4.5	106.4	+8.1
Transport	110.3	+6.0	110.3	+5.7	109.5	+4.9	110.0	+5.6
Miscellaneous services	113.3	+6.9	112.3	+6.8	109.7	+5.7	111.7	+6.5
All items	110.9	+6.6	111.4	+6.3	111.4	+5.9	111.3	+6.3

Monthly consumer price indices are compiled on the basis of (a) expenditure patterns of relevant households and (b) prices collected currently in the month. The expenditure patterns underlying the 1994/95-based consumer price indices are based on those patterns derived from the 1994/95 Household Expenditure Survey. The CPI(A) is based on the expenditure pattern of about 50% of households in Hong Kong, which had an average monthly expenditure of \$4,000-\$15,999 in 1994/95 (broadly equivalent to \$4,300-\$17,300 at 1996 prices). The CPI(B) is based on the expenditure pattern of the next 30% of households, which had an average monthly expenditure of \$16,000-\$29,999 in 1994/95 (broadly equivalent to \$17,300-\$32,600 at 1996 prices). The Hang Seng CPI is based on the expenditure pattern of the next 10% of households, which had an average monthly expenditure of \$30,000-\$59,999 in 1994/95 (broadly equivalent to \$32,600-\$65,300 at 1996 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 and Year-on-year Rates of Change for
October 1995 - January 1997
(Oct. 94 - Sep. 95 = 100)

<u>Year/month</u>	<u>CPI(A)</u>		<u>CPI(B)</u>		<u>Hang Seng CPI</u>		<u>Composite CPI</u>		
	<u>Index</u>	<u>Year-on-year rate of change (%)</u>	<u>Index</u>	<u>Year-on-year rate of change (%)</u>	<u>Index</u>	<u>Year-on-year rate of change (%)</u>	<u>Index</u>	<u>Year-on-year rate of change (%)</u>	
1995	October	104.3	8.0	104.5	8.4	104.7	8.7	104.5	8.4
	November	104.3	7.8	104.7	8.1	105.4	8.2	104.7	8.1
	December	103.9	6.4	104.6	7.2	104.9	7.2	104.5	7.0
1996	January	104.1	5.8	104.8	6.6	105.1	7.3	104.7	6.5
	February	105.4	6.4	105.9	7.0	105.7	7.5	105.7	6.9
	March	106.1	6.5	106.4	7.0	106.3	7.5	106.3	7.0
	April	107.3	6.8	107.8	7.0	107.5	7.1	107.6	7.0
	May	107.1	6.1	107.9	6.6	108.5	6.9	107.8	6.5
	June	107.8	6.1	108.3	6.4	109.1	6.6	108.4	6.4
	July	108.0	6.1	108.5	6.4	108.6	6.2	108.4	6.2
	August	108.2	4.9	108.7	5.5	108.9	5.9	108.6	5.4
	September	109.6	5.2	109.9	5.9	109.7	5.6	109.7	5.6
	October	109.9	5.4	110.6	5.8	110.9	6.0	110.5	5.7
	November	110.3	5.8	111.0	6.1	111.5	5.8	110.9	5.9
	December	110.9	6.7	111.4	6.5	111.9	6.7	111.4	6.6
1997	January	110.9	6.6	111.4	6.3	111.4	5.9	111.3	6.3

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

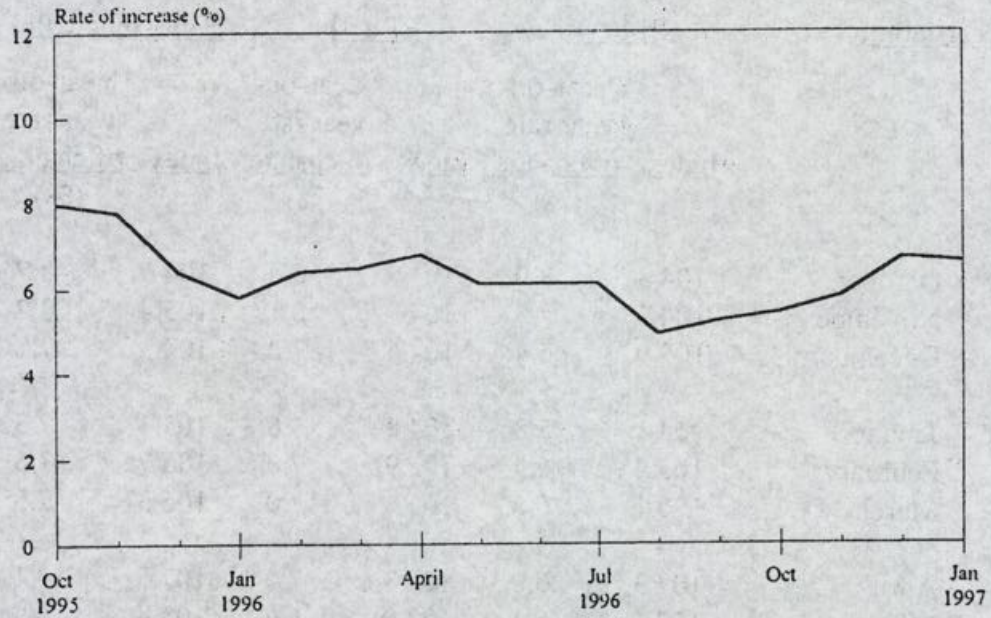


Chart 2 Year-on-year Rates of Increase
in CPI(B)

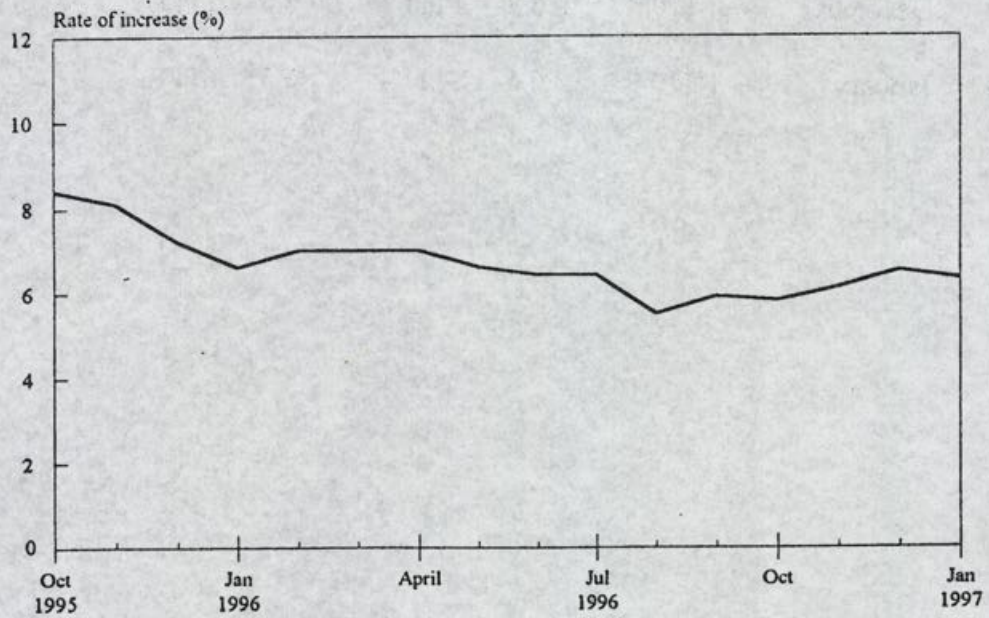


Chart 3 Year-on-year Rates of Increase
in Hang Seng CPI

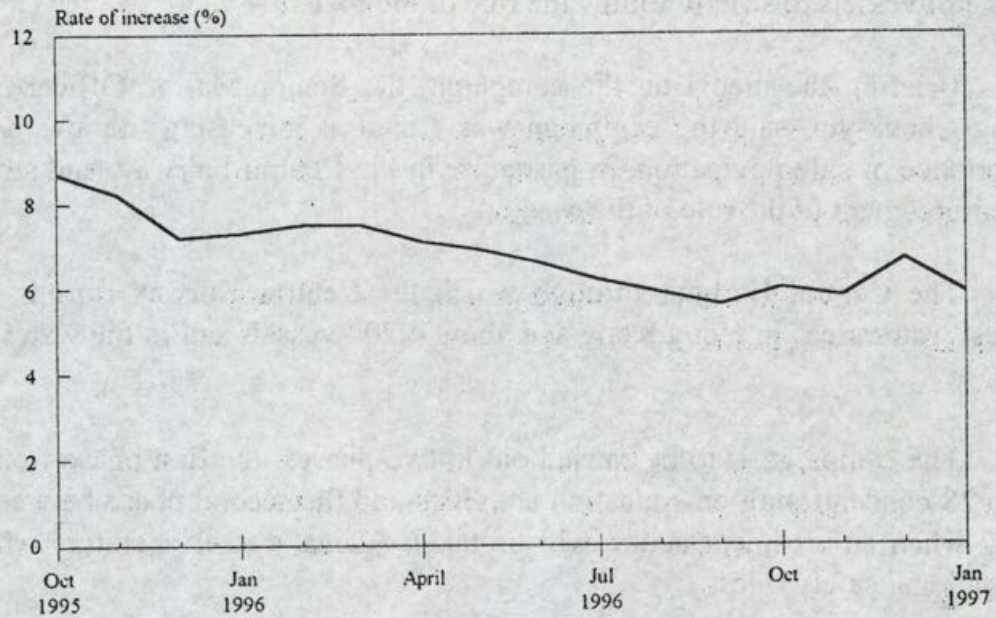
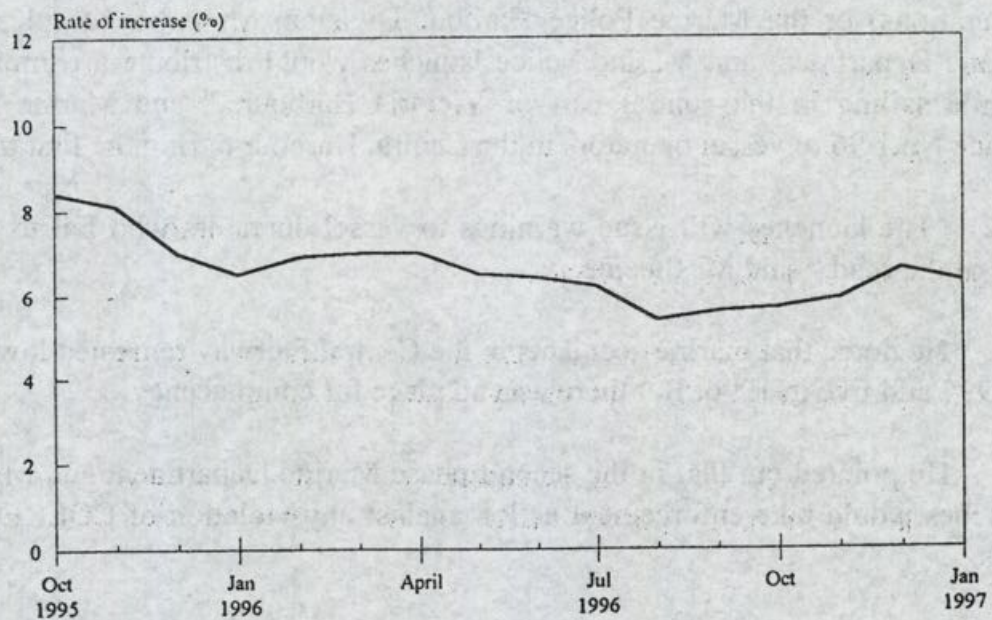


Chart 4 Year-on-year Rates of Increase
in Composite CPI



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Marine safety campaign in Central Harbour

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The Marine Department and the Marine Police started today (Monday) a joint marine safety campaign in the busy Central Harbour to remind masters and persons-in-charge of vessels to strictly follow the rule of the road.

Briefing the media on the campaign, the Senior Marine Officer/Central, Mr Tsang Cheuk-yin, said the campaign was aimed at increasing the awareness of the importance of safe navigation, in particular in the Central Fairway, and strengthening the enforcement of the rule of the road.

The Central Harbour through which the Central Fairway runs is one of the busiest water areas in Hong Kong and about 4,200 vessels sail in the water area every day.

The campaign is to be carried out in two phases: the first phase from February 24 to 28 concentrating on education activities and the second phase between March 3 and 7 when enforcement action will be taken against vessel operators who defy the navigational safety rules.

"A marine safety campaign before the arrival of the foggy weather serves as a reminder to masters, coxswains and persons-in-charge of vessels the importance of strictly following the International Regulations for Preventing Collisions at Sea, 1972 (COLREG), especially while they transit Victoria Harbour," said Mr Tsang.

Also speaking at the briefing, the Assistant Divisional Commander (Operations) of the Marine Police Harbour Division, Mr A.M. Steeple, said seven Marine Department and Marine Police launches would distribute a pamphlet entitled "While sailing in the central part of Victoria Harbour..." and Marine Department Notice No.1/96 to vessel operators in the Central Harbour during the first phase.

"The launches will issue warnings to vessel operators who fail to observe the rule of the road," said Mr Steeple.

He noted that marine accidents in the Central Fairway remained low with seven in 1995 and five in 1996. But there was no place for complacency.

He pointed out that in the second phase Marine Department and Marine Police launches would take enforcement action against any violation of COLREG and local rules.

Vessel operators found contravening COLREG will be summonsed and may face a maximum fine of \$25,000 upon conviction.

Mr Tsang Cheuk-yin advised masters, coxswains and persons-in-charge of vessels good seamanship which included:

- To maintain a constant and proper lookout by sight and hearing as well as by all available means to determine whether there is a risk of collisions;
- To proceed at a safe speed appropriate to the circumstances and not to exceed the maximum permitted speed;
- Not to enter marine works areas;
- To keep the Tsim Sha Tsui Light Buoy on the port side when proceeding along the Hung Hom Fairway;
- To use proper sound signals whenever it is required to do so; and
- When vessels engaged in towing,
 - * The tow line should not exceed the length of the vessel being towed, or two and a half times the length of the towing vessel, whichever is greater and in no circumstances other than in an emergency should a tow line be longer than 100 metres;
 - * Appropriate lights and signals must be displaced; and
 - * Not more than two vessels may be towed by a single tug at one time.

End

International Labour Organization Sub-regional meeting

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Participants representing employees, employers and government in Hong Kong and seven Asian countries will attend an International Labour Organization (ILO) Sub-regional meeting in Hong Kong later this week to talk about tripartite consultations on labour issues in the region.

The three-day meeting, co-hosted by the Labour Department and the ILO Regional Office for Asia and the Pacific, will start on Wednesday (February 26) at the Hong Kong Convention and Exhibition Centre.

The Commissioner for Labour, Miss Jacqueline Willis, will officiate at the opening ceremony of the meeting on Wednesday.

Apart from Hong Kong, the seven participating Asian countries are China, Japan, the Republic of Korea, Malaysia, the Philippines, Thailand and Vietnam.

The objectives of the meeting are to identify issues and problems to implement effective tripartite consultation and to outline the steps necessary to be taken to advance the cause of tripartite consultation.

Programmes for the meeting will include presentations by ILO director and relevant specialists, tripartite inter-country group discussions and country level discussions.

End

Old stamps bearing Queen's portrait to be on sale

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The Postmaster General, Mr. Robert Footman, announced today (Monday) that residue stock of the old definitive stamps bearing the Queen's portrait will be put back on sale as philatelic items at the following four philatelic offices as from March 18, 1997, while stock lasts :

General Post Office
Sha Tin Central Post office
Tsim Sha Tsui Post Office
Tsuen Wan Post Office

The stamps will be sold in sheet form only. They are available in a set of low denominations (10 to \$5) or a set of high denominations (\$10, \$20 & \$50). A sales restriction of one full set per customer queuing will be imposed.

\$1.20, \$1.30, \$2.00, \$2.50, \$3.10 and \$5.00 old definitive stamps will also be put on sale in sheet form at the four philatelic offices as from March 18, 1997 until stock lasts. There will be a sales restriction of 5 sheets per denomination for each customer queuing.

End

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 78.6 per cent of capacity or 460.742 million cubic metres.

This time last year the reservoirs contained 466.157 million cubic metres of water, representing 79.5 per cent of capacity.

End

Hong Kong Monetary Authority tender results

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Tender date	:	24 February 1997
Paper on offer	:	EF Notes
Issue number	:	7402
Issue date	:	25 February 1997
Maturity date	:	25 February 2004
Coupon	:	6.46%
Amount applied	:	HK\$3,980 MN
Amount allotted	:	HK\$500 MN
Average price accepted (yield)	:	99.48 (6.66 PCT)
Lowest price accepted (yield)	:	99.48 (6.66 PCT)
Pro rata ratio	:	About 16 PCT
Average tender price (yield)	:	99.43 (6.67 PCT)

End