



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

MONDAY, FEBRUARY 21, 1994

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LBAC DISCUSSES PROPERTY MARKET REPORT

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THE LAND AND BUILDING ADVISORY COMMITTEE (LBAC) DISCUSSED TODAY (MONDAY) THE HALF-YEARLY REPORT ON THE PROPERTY MARKET FOR THE PERIOD FROM JULY 1 TO DECEMBER 31, 1993.

THE LBAC, CHAIRED BY MR CHENG HON-KWAN, NOTED THAT THE PROPERTY MARKET IN THE SECOND HALF OF 1993 CONTINUED TO EXPERIENCE A PERIOD OF CONSOLIDATION INITIALLY, PARTICULARLY FOR THE RESIDENTIAL PROPERTY MARKET.

THE CONSOLIDATION WAS PROMPTED BY A NUMBER OF EVENTS, INCLUDING THE ADOPTION OF FURTHER ANTI-SPECULATIVE MEASURES BY LEADING BANKS TO TIGHTEN UP MORTGAGE LENDING IN AUGUST 1993 AND THE INTRODUCTION OF AUSTERITY MEASURES BY CHINA.

HOWEVER, THE COMMITTEE NOTED THAT THE RESIDENTIAL MARKET SHOWED A STRONG RECOVERY AT THE END OF THE YEAR, WITH PRICES AND TRANSACTIONS PICKING UP IN NOVEMBER AND DECEMBER, AND RENTALS GOING UPWARDS, PARTICULARLY FOR THE LUXURY SECTOR.

FOR THE OFFICE SECTOR, THE CONTINUING STRONG DEMAND, PARTICULARLY FOR QUALITY OFFICE SPACE IN PRIME LOCATIONS, COUPLED WITH THE LACK OF IMMEDIATE SUPPLY COMING ON STREAM, LED TO A MARKED DECLINE IN THE VACANCY RATE.

WHILE UPWARD PRESSURE ON THE RENTAL LEVELS WAS EXPERIENCED, PRICES HAD ALSO INCREASED TO RECORD LEVELS IN THE SALES MARKET OF PRIME OFFICE SPACE.

LBAC NOTED THAT HIGH RENTAL LEVELS IN PRIME OFFICE LOCATIONS HAD DRIVEN SOME BUSINESSES TO SECONDARY LOCATIONS SUCH AS WAN CHAI AND CAUSEWAY BAY, THUS PUTTING PRESSURE ON RENTALS IN THESE AREAS.

THE RETAIL PROPERTY SALES AND RENTAL MARKET REMAINED STEADY OVER THE PAST MONTHS, WITH THE SALE OF SMALL UNITS WHICH HAD BEEN CREATED THROUGH "BREAKING-UP" OF LARGE COMMERCIAL SPACE BEING A SPECIAL FEATURE OF THE RETAIL PROPERTY MARKET.

AFFECTED BY THE TIGHTENING OF THE MORTGAGE LENDING POLICY OF BANKS, THE SALES MARKET OF THE INDUSTRIAL SECTOR REMAINED STEADY WHEREAS THE RENTAL MARKET HAD BEEN MORE ACTIVE.

THE COMMITTEE NOTED THAT THE PROPERTY MARKET FOR 1993 AS A WHOLE HAD SEEN INCREASES IN PROPERTY PRICES IN ALMOST ALL SECTORS.

AS AN OUTLOOK, THE COMMITTEE WAS INFORMED THAT THE GENERAL OPTIMISM WHICH PREVAILED IN THE PROPERTY MARKET WAS EXPECTED TO CONTINUE INTO 1994 AS THE TERRITORY'S ECONOMIC MOMENTUM WAS EXPECTED TO SUSTAIN.

UNLESS THERE WERE DRAMATIC CHANGES TO FUNDAMENTAL FACTORS SUCH AS TO THE LEVEL OF INTEREST RATES, PROPERTY PRICES WERE EXPECTED TO HOLD FIRM AND INCREASE GRADUALLY.

WHILE ACTIVITY IN THE RESIDENTIAL MARKET IN GENERAL WOULD CONTINUE TO BE RESTRAINED BY THE RESTRICTIONS ON MORTGAGE LENDING, THE COMMITTEE NOTED THAT THE LUXURY END OF THE MARKET WAS ANTICIPATED TO REMAIN BUOYANT OWING TO LIMITED SUPPLY AND SUSTAINED DEMAND.

VACANCIES IN THE PRIME OFFICE SECTOR WERE EXPECTED TO DECLINE AS PRICES AND RENTALS ROSE WHILE THE RETAIL SECTOR OF THE MARKET WAS EXPECTED TO CONTINUE TO ENJOY GOOD GROWTH IN 1994.

THE INDUSTRIAL MARKET WAS EXPECTED TO CONTINUE TO BE ROBUST AND THE MODERN HI-TECH OFFICE/INDUSTRIAL PREMISES WOULD BE THE PRIMARY AREA OF ACTIVITY.

THE MEETING ALSO DISCUSSED THE IMPACT OF THE GROWTH OF THE PEARL RIVER DELTA REGION ON THE TERRITORY'S STRATEGIC DEVELOPMENT AND HOW THIS WOULD BE ADDRESSED IN THE TERRITORIAL DEVELOPMENT STRATEGY REVIEW.

THE COMMITTEE ENDORSED A PROPOSAL TO BAN THE USE OF HAND DUG CAISSONS EXCEPT IN SPECIFIC CIRCUMSTANCES TO SAFEGUARD CONSTRUCTION SAFETY.

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DIRECTOR OF LANDS TO JOIN LAND COMMISSION
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DIRECTOR OF LANDS, MR BOB POPE, HAS BEEN DESIGNATED AS A MEMBER OF THE BRITISH SIDE OF THE LAND COMMISSION WITH EFFECT FROM MARCH 1 THIS YEAR.

HE WILL REPLACE MR NOEL GLEESON ON THE LATTER'S RETIREMENT FROM GOVERNMENT.

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HONG KONG POPULATION REACHES 6M
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THE ESTIMATED POPULATION OF HONG KONG AT THE END OF LAST DECEMBER WAS 6,019,900, ACCORDING TO FIGURES RELEASED TODAY (MONDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

THIS IS AN INCREASE OF 117,800 PERSONS OR 2 PER CENT OVER END-1992. IN END-1992, THE ESTIMATED POPULATION WAS 5,902,100.

THERE WERE 71,600 BIRTHS AND 30,300 DEATHS LAST YEAR. NATURAL INCREASE - THE SURPLUS OF BIRTHS OVER DEATHS IN THIS PERIOD - AMOUNTED TO 41,300, ACCOUNTING FOR 35 PER CENT OF THE POPULATION GROWTH.

THE BALANCE OF TOTAL ARRIVALS AND DEPARTURES SHOWED A NET INFLOW OF 76,500 PERSONS DURING THE SAME PERIOD.

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\$230M SEWERAGE IMPROVEMENT FOR SOUTH AND CENTRAL KOWLOON
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THE DRAINAGE SERVICES DEPARTMENT WILL SPEND \$230 MILLION TO IMPROVE THE SEWERAGE SYSTEM IN SOUTH AND CENTRAL KOWLOON.

THE WORKS FORM STAGE I OF THE NORTH AND SOUTH KOWLOON SEWERAGE PROJECT.

/ON COMPLETION

ON COMPLETION OF THE WORKS, THE UNTREATED SEWAGE CURRENTLY BEING DISCHARGED INTO VICTORIA HARBOUR WILL BE INTERCEPTED, THUS REDUCING WATER POLLUTION IN THE HARBOUR.

SOUTH AND CENTRAL KOWLOON, ENCOMPASSING TSIM SHA TSUI, HUNG HOM, TO KWA WAN, MA TAU WAI, KOWLOON CITY AND WONG TAI SIN, HOUSES ABOUT 600,000 RESIDENTS AND CONTAINS A SUBSTANTIAL PROPORTION OF THE TERRITORY'S COMMERCIAL DEVELOPMENT.

THE SEWERAGE MASTER PLAN STUDY COMPLETED IN MID-1993 HAS SHOWN THAT ABOUT ONE-THIRD OF THE SEWAGE GENERATED IN THE AREA IS BEING DISCHARGED THROUGH IMPROPER CONNECTIONS IN STORM DRAINS TO VICTORIA HARBOUR WITHOUT TREATMENT.

BESIDES, PART OF THE SEWERAGE SYSTEM FOR THE AREA IS BELOW THE REQUIRED DESIGN CAPACITY, IN PARTICULAR THE SOUTH KOWLOON SCREENING PLANT WHICH SERVES TSIM SHA TSUI AND HUNG HOM AREA.

THIS SCREENING PLANT, SITUATED NEXT TO THE NEW WORLD CENTRE, DOES NOT HAVE SPACE FOR IMPROVEMENT AND EXPANSION.

TO RESOLVE THE PROBLEM AND TO MEET FUTURE DEMANDS, THE DRAINAGE SERVICES DEPARTMENT WILL IMPLEMENT IN TWO STAGES THE SEWERAGE IMPROVEMENT WORKS RECOMMENDED IN THE STUDY.

STAGE I WORKS WILL BE MAINLY IN SOUTH AND CENTRAL KOWLOON, INVOLVING EXPANSION OF THE EXISTING TO KWA WAN SCREENING PLANT, CONSTRUCTION OF TRUNK SEWERS AND A PUMPING STATION IN HUNG HOM BAY RECLAMATION.

UPON COMPLETION OF THESE WORKS IN 1997, THE SEWAGE FLOW IN SOUTH KOWLOON WILL BE TRANSFERRED TO THE EXPANDED PLANT AT TO KWA WAN FOR CENTRALISED TREATMENT AND DISPOSAL THROUGH THE DEEP TUNNEL SYSTEM TO BE CONSTRUCTED UNDER THE STRATEGIC SEWAGE DISPOSAL SCHEME STAGE I.

THE EXISTING SOUTH KOWLOON SCREENING PLANT WILL THEN BE DECOMMISSIONED.

STAGE II WORKS WILL BE CARRIED OUT IN CENTRAL AND NORTH KOWLOON AREA, INVOLVING LOCAL SEWERAGE IMPROVEMENT WORKS, CONSTRUCTION OF ADDITIONAL SEWAGE TREATMENT WORKS AND DISPOSAL FACILITIES FOR THE PROPOSED KOWLOON BAY RECLAMATION AND REDEVELOPMENT OF KAI TAK AIRPORT AFTER ITS RELOCATION.

THE NORTH AND SOUTH KOWLOON SEWERAGE PROJECT TOOK THE FIRST STEP FORWARD THIS (MONDAY) AFTERNOON WITH THE ENGAGEMENT OF A CONSULTANCY FIRM FOR THE STAGE I WORKS BY DRAINAGE SERVICES DEPARTMENT.

THE FIRM, RUST JRP LIMITED, WILL CARRY OUT DETAILED DESIGN AND SUPERVISION OF THE CONSTRUCTION OF STAGE I WORKS.

THE WORKS ARE EXPECTED TO START IN PHASES IN LATE 1994 FOR COMPLETION IN 1997.

THE CONSULTANCY AGREEMENT FOR STAGE I WORKS WAS SIGNED BETWEEN THE ASSISTANT DIRECTOR (PROJECTS AND DEVELOPMENT) OF DRAINAGE SERVICES, MR TSE HON-SUM, AND A REPRESENTATIVE OF RUST JRP LIMITED.

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PROPERTY TAX ENQUIRY FEE REVISED

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THE FEE CHARGED FOR ANSWERING WRITTEN ENQUIRIES ABOUT OUTSTANDING AMOUNTS OF PROPERTY TAX WILL BE REVISED TO \$260 PER ENQUIRY PER PROPERTY FROM MARCH 1.

THE INLAND REVENUE DEPARTMENT MADE THE REVISION IN THE LIGHT OF RISING COSTS.

THE PRESENT FEE IS \$235.

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VIEWS SOUGHT ON TOC RECOMMENDATIONS

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COPIES OF THE RECENTLY PUBLISHED REPORT ON IMPLEMENTATION OF TARGET ORIENTED CURRICULUM (TOC) HAVE BEEN DISTRIBUTED TO EDUCATIONAL BODIES, INCLUDING PARENT-TEACHER ASSOCIATIONS AND MEMBERS OF THE LEGISLATIVE COUNCIL.

A SPOKESMAN FOR EDUCATION DEPARTMENT SAID: "VIEWS ON THE IMPLEMENTATION SCHEDULE ON THE TOC ARE BEING SOUGHT, AND THAT MARCH 31 WAS THE DEADLINE FOR SUBMISSION FOR COMMENTS.

"THE DIRECTOR OF EDUCATION WILL TAKE INTO CONSIDERATION THE FEEDBACK RECEIVED BEFORE MAKING A FINAL DECISION ON THE TIMETABLE FOR IMPLEMENTING THE TOC."

HE SAID THE ADVISORY COMMITTEE ON IMPLEMENTATION OF TOC HAD SPENT EIGHT MONTHS TO STUDY AND CONSIDER THE FINAL RECOMMENDATIONS.

THE RECOMMENDATIONS ON THE IMPLEMENTATION SCHEDULE INCLUDE:

SCHEDULE 1

IMPLEMENTATION OF TOC TO COVER PRIMARY 1 TO PRIMARY 6 FROM 1995/96 ONWARDS WILL TAKE SEVEN YEARS TO COMPLETE, AND EXTENSION TO COVER SECONDARY 1 TO SECONDARY 3 WILL NOT BE COMPLETED UNTIL 2004/2005, THAT IS, 10 YEARS AFTER ITS STARTING DATE.

SCHEDULE 2

IMPLEMENTATION OF TOC IN PRIMARY SCHOOLS CAN BE COMPLETED IN FOUR YEARS, AND IN SECONDARY SCHOOLS THREE YEARS LATER. TEACHERS WILL START TO IMPLEMENT TOC SOON AFTER THEY HAVE RECEIVED THE NECESSARY TRAINING.

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LEGCO TO DEBATE ELECTORAL PROVISIONS BILL

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THE LEGISLATIVE COUNCIL WILL RESUME DEBATE ON ELECTORAL PROVISIONS (MISCELLANEOUS AMENDMENTS) (NO. 2) BILL 1993 AT ITS MEETING ON WEDNESDAY (FEBRUARY 23).

MEMBERS OF THE COUNCIL WILL ASK 19 QUESTIONS AND CONSIDER TWO OTHER BILLS - CRIMINAL JURISDICTION BILL AND TELECOMMUNICATION (AMENDMENT) BILL 1994.

THE TWO BILLS WILL BE INTRODUCED FOR FIRST AND SECOND READINGS. DEBATES ON THEM ARE DUE TO BE ADJOURNED.

IN ADDITION, THE HON MRS ELSIE TU WILL MOVE A MOTION TO AMEND THE STANDING ORDERS OF THE LEGISLATIVE COUNCIL.

THE SECRETARY FOR TRANSPORT WILL ALSO MOVE TWO MOTIONS UNDER FIXED PENALTY (TRAFFIC CONTRAVENTIONS) ORDINANCE AND FIXED PENALTY (CRIMINAL PROCEEDINGS) ORDINANCE.

MEMBERS OF THE PUBLIC ARE WELCOME TO OBSERVE THE PROCEEDINGS FROM THE PUBLIC GALLERY. THEY MAY RESERVE SEATS BY CALLING 869 9492.

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WATER STORAGE FIGURE

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STORAGE IN HONG KONG'S RESERVOIRS AT 9 AM TODAY (MONDAY) STOOD AT 68.1 PER CENT OF CAPACITY OR 398.889 MILLION CUBIC METRES.

THIS TIME LAST YEAR THE RESERVOIRS CONTAINED 311.488 MILLION CUBIC METRES OF WATER, REPRESENTING 53.2 PER CENT OF CAPACITY.

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

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	\$ MILLION

OPENING BALANCE IN THE ACCOUNT	2,380
REVERSAL OF LAF	+620
BALANCE AFTER REVERSAL OF LAF	3,000
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	-580
CLOSING BALANCE IN THE ACCOUNT	2,420
LAF RATE 2.00 BID/4.00 OFFER	21.2.94
	TWI 125.8 *+0.1*

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS		EF NOTES/HONG KONG GOVERNMENT BONDS				
TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.86	18 MONTHS	2508	4.625	100.45	4.36
1 MONTH	3.00	21 MONTHS	2511	4.15	99.38	4.57
3 MONTHS	3.24	24 MONTHS	2602	4.40	99.45	4.75
6 MONTHS	3.51	32 MONTHS	3610	4.20	98.08	5.03
12 MONTHS	3.92	35 MONTHS	3701	4.60	98.81	5.10

TOTAL TURNOVER OF BILLS AND BONDS - 14,015 MN

CLOSED 21 FEBRUARY 1994

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