



DAILY INFORMATION BULLETIN

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Govt needs time to consider localisation policy judgment

The Secretary for the Civil Service, Mr Michael Sze Cho-cheung, said today (Tuesday) that it would take a few days to consider the implications of the judgment handed down by Mr Justice Keith in the action taken by the Association of Expatriate Civil Servants (AECS) against the Government's localisation policy.

"The judgment has upheld almost all the decisions challenged," said Mr Sze.

"The decisions under challenge were taken by the Government in implementing its localisation policy," he commented, "They were taken very carefully to balance the interests of different groups of officers. They were taken in good-faith as a fair compromise.

"But, the judgment has raised a number of questions," he added, "We need to look at the details very carefully to consider the implications before commenting in detail".

"All the principal features of the temporary arrangements were upheld, including arrangements under which 47 officers are serving at one rank below their substantive rank.

"The new mechanisms in place for renewing agreements have been upheld by the judgment" said Mr Sze.

AECS had filed an application for a judicial review in October last year, seeking to challenge the Government's localisation policy.

It cited 44 decisions taken by the Government and leave was granted by the High Court in January to hear the case against 27 of the decisions.

The three-week substantive hearing began on September 14 before Mr Justice Keith and judgment was handed down today.

Of the 27 decisions, the judge ruled that 18 were lawful, five were unlawful and four as not amenable in the case. The Judge also decided that in the circumstances both parties should bear their own costs.

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Payment to Kwun Lung Lau landslip victims

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The Government, the Housing Society and the Mott Connell Group acting as consultants to the Housing Society, have agreed to contribute in equal shares to a substantial payment to be made to all of the victims of the landslip at Kwun Lung Lau which occurred on July 23 last year.

A government spokesman said: "In agreeing to make this payment, they have taken account of the fact that the victims and their families will be spared the trauma and cost of pursuing complex and uncertain claims for compensation for their injuries and loss.

"The payment is made with the agreement of the victims and their representatives that neither the Government, the Housing Society nor the Mott Connell Group accept liability for the occurrence of the Kwun Lung Lau landslip on July 23, 1994."

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Hong Kong contributes to CITES enforcement project

* * * * *

The Secretary for Economic Services, Mr Gordon Siu, today (Tuesday) handed a contribution of US\$150,000 (about HK\$1.17 million) to the CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) Secretariat's Enforcement Project.

The contribution was presented at the opening of the International Symposium on Traditional Chinese Medicine and Wildlife Conservation and was received by the Secretariat's Deputy Secretary General, Mr Jaques Berney.

The amount would help strengthen enforcement of the Convention and the organisation of a regional enforcement training seminar in Hong Kong.

Speaking at the opening ceremony, Mr Siu said he hoped the Symposium marked the beginning of a joint venture that would ensure the survival of endangered wildlife and the practice of traditional Chinese medicine.

He said the practice and consumption of traditional Chinese medicine was part of the cultural heritage of Chinese communities everywhere. Wildlife has been used in traditional medicine for centuries without endangering the survival of the numerous species concerned.

"But what was once in balance is now losing its equilibrium," Mr Siu said.

"Wild habitats are succumbing to the pressure of relentless human population growth and economic development. Modern technology is making it easier to harvest species for medicinal purposes.

"Living standards are rising throughout the region. These trends foreshadow a doubtful future for wildlife unfortunate enough to have a value in traditional medicine - and the trade that depends upon that wildlife," he added.

He said Hong Kong recognised the answer to this problem was sustainable use and that dialogue between the interested parties was a prerequisite for success.

Mr Siu pointed out that Hong Kong was fully committed to enforcement of CITES and supported the efforts of the CITES Secretariat and the non-governmental organisations to discharge that responsibility effectively.

End/Tuesday, October 31, 1995

Monetary statistics for September 1995

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According to statistics published today (Tuesday) by the Hong Kong Monetary Authority, total deposits grew moderately in September 1995, while total loans and advances rebounded somewhat.

Table 1 summarises figures for September 1995 and comparisons with earlier months. Table 2 gives quarterly figures for loans and advances for use in Hong Kong by major economic sector.

Deposits

Total deposits grew by 0.8% in September, moderating slightly from 1.0% in August. This was made up of a 1.1% rise in HK\$ deposits and a 0.5% rise in foreign currency deposits during the month.

Within HK\$ deposits, demand deposits fell by 18.4% in September. The sharp fall was due to the artificially high reported level of deposits in August resulting from the typhoon on 31 August that caused some cheques deposited on that day to be credited to payees' accounts but not debited from payers' accounts. The average change during August and September, which abstracts from this effect, was a decline of 1.4%.

Savings deposits and time deposits rose by 2.2% and 3.8% in September, in contrast to decreases of 1.2% and 0.8% respectively in August.

Swap deposits fell by a further 1.3% in September, giving a cumulative reduction of 45.3% since November 1994, reflecting migration to HK\$ time deposits since the removal of ceilings on certain time deposit rates. The fall in September was smaller than the average fall in earlier months this year as the adjustment process nears completion.

Supported by a 1.8% rise in non-US\$ deposits which offset the 0.7% fall in US\$ deposits, foreign currency deposits rose by 0.5% in September.

Loans and Advances

Total outstanding loans and advances rebounded by 0.7% in September, following declines of 0.1% in July and 3.8% in August. Within the total, HK\$ loans grew by 0.2% and foreign currency loans grew by 0.9%. As HK\$ deposits grew faster than HK\$ loans, the HK\$ loan-to-deposit ratio fell for the fourth consecutive month to 105.8%.

Quarterly Analysis of Loans for Use in Hong Kong by Major Economic Sector

During the September quarter, loans for domestic use rose by 2.0%, having grown 3.3% in the March quarter and 3.7% in the June quarter. Such moderation reflected a decline in loans for trade financing and slower growth in loans for manufacturing, wholesale and retail trade and home mortgages.

Money Supply

HK\$M1 fell by 11.7% in September, in line with the decrease in demand deposits in the month due to the typhoon on 31 August (explained above). The average monthly fall since July was 0.8%. HK\$M2 and HK\$M3 both grew by 1.1% in September, compared to 0.9% in August.

TABLE 1 : MONETARY STATISTICS - SEPTEMBER 1995

	Sep 1995	Earlier months (% change to Sep 1995)			(HK\$mn)
		Aug 1995	Jun 1995	Sep 1994	
Money Supply					
M1 - HK\$	166,508	188,504 (-11.7)	168,763 (-1.3)	169,027 (-1.5)	
Foreign currency	17,418	18,836 (-7.5)	17,264 (0.9)	17,199 (1.3)	
Total	183,926	207,340 (-11.3)	186,027 (-1.1)	186,226 (-1.2)	
M2 - HK\$@	1,234,649	1,221,556 (1.1)	1,190,182 (3.7)	1,058,279 (16.7)	
Foreign currency*	992,103	983,361 (0.9)	980,498 (1.2)	867,476 (14.4)	
Total	2,226,752	2,204,917 (1.0)	2,170,679 (2.6)	1,925,755 (15.6)	
M3 - HK\$@	1,252,105	1,238,859 (1.1)	1,207,471 (3.7)	1,074,889 (16.5)	
Foreign currency*	1,055,692	1,047,651 (0.8)	1,044,103 (1.1)	926,169 (14.0)	
Total	2,307,797	2,286,510 (0.9)	2,251,574 (2.5)	2,001,058 (15.3)	
Notes and coins in circulation	78,295	78,355 (-0.1)	78,432 (-0.2)	74,160 (5.6)	
of which held by public	69,310	69,360 (-0.1)	69,095 (0.3)	65,326 (6.1)	
Total Deposits					
Total Demand deposits	114,616	137,980 (-16.9)	116,932 (-2.0)	120,900 (-5.2)	
Total Savings deposits	418,360	411,559 (1.7)	405,645 (3.1)	408,734 (2.4)	
Total Time deposits with licensed banks	1,574,737	1,539,344 (2.3)	1,535,630 (2.5)	1,292,690 (21.8)	
Total Time deposits with restricted licence banks	37,180	38,468 (-3.3)	37,938 (-2.0)	34,369 (8.2)	
Total Time deposits with deposit-taking companies	18,881	18,825 (0.3)	19,610 (-3.7)	19,389 (-2.6)	
HK\$ deposits@	1,148,375	1,136,270 (1.1)	1,108,159 (3.6)	983,724 (16.7)	
Demand deposits	97,198	119,144 (-18.4)	99,668 (-2.5)	103,701 (-6.3)	
Savings deposits	288,789	282,669 (2.2)	278,915 (3.5)	283,197 (2.0)	
Time deposits@	762,389	734,457 (3.8)	729,576 (4.5)	596,826 (27.7)	
US\$ deposits*	508,322	511,735 (-0.7)	504,671 (0.7)	475,328 (6.9)	
Other foreign currency deposits*	507,077	498,173 (1.8)	502,925 (0.8)	417,031 (21.6)	
Foreign currency deposits*	1,015,399	1,009,908 (0.5)	1,007,596 (0.8)	892,359 (13.8)	
All deposits	2,163,774	2,146,178 (0.8)	2,115,755 (2.3)	1,876,082 (15.3)	
Foreign currency swap deposits	56,945	57,716 (-1.3)	62,989 (-9.6)	102,003 (-44.2)	
Total Loans and advances					
To finance H.K.'s visible trade	154,571	157,179 (-1.7)	157,770 (-2.0)	126,387 (22.3)	
To finance merchandising trade not touching H.K.	17,539	18,889 (-7.1)	18,522 (-5.3)	13,179 (33.1)	
Other loans for use in H.K.	1,363,592	1,364,492 (-0.1)	1,329,043 (2.6)	1,223,186 (11.5)	
Other loans for use outside H.K.	2,153,428	2,124,128 (1.4)	2,309,176 (-6.7)	1,800,691 (19.6)	
Other loans where the place of use is not known	39,059	39,090 (-0.1)	41,232 (-5.3)	44,860 (-12.9)	
Loans in HK\$	1,214,713	1,212,052 (0.2)	1,190,490 (2.0)	1,091,003 (11.3)	
Loans in foreign currencies	2,513,477	2,491,727 (0.9)	2,665,254 (-5.7)	2,117,300 (18.7)	
Total loans and advances	3,728,189	3,703,779 (0.7)	3,855,744 (-3.3)	3,208,303 (16.2)	

* Adjusted to exclude foreign currency swap deposits.
 @ Adjusted to include foreign currency swap deposits.

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

TABLE 2 : QUARTERLY ANALYSIS OF LOANS FOR USE IN HONG KONG BY SECTOR - SEPTEMBER 1995

Sectors	Sep 1995 (HK\$ Mn)	Adjusted % change of Earlier quarters# to Sep 1995		
		Jun 1995	Mar 1995	Sep 1994
Trade Financing	172,110	-2.4	9.5	23.3
Manufacturing	98,004	1.7	7.0	20.0
Transport and transport equipment	69,782	-0.0	-1.6	-0.6
Building, construction, property development and investment	259,325	1.5	2.4	10.1
Wholesale and retail trade	159,544	1.5	11.2	28.0
Financial concerns *	170,779	6.7	3.6	11.6
Individuals:				
to purchase flats in the Home Ownership Scheme and Private Sector Participation Scheme	43,699	8.4	8.0	8.5
to purchase other residential property	290,621	3.7	10.7	13.8
other purposes	111,446	-0.9	2.2	7.9
Others	160,392	2.2	1.9	1.1
Total	1,535,702	2.0	5.8	12.7

With the introduction of the new Return on Loans and Advance and Provisions (as revised from the Return on Loans and Advances for Use in Hong Kong) as from December 1994, a number of AIs have reclassified certain components. As a result, the figures are not strictly comparable with those of previous quarters. The percentage changes given above have been adjusted, so far as possible, to remove the reclassification effect and therefore cannot be calculated directly from the published figures.

* This excludes funds advanced to authorized institutions.

End/Tuesday, October 31, 1995

Four officers promoted to Staff Grade A

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The Government today (Tuesday) announced the promotion of the following four officers to the rank of Administrative Officer Staff Grade A with effect from January 1: Mr Stephen Ip, Commissioner for Labour; Miss Jacqueline Willis, Deputy Secretary for Education and Manpower; Mrs Lily Yam, Commissioner for Transport and Mrs Regina Ip, Director-General of Industry.

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Two ACP contracts awarded

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The Secretary for the Treasury, on the advice of the Central Tender Board, has approved the award of two Airport Core Programme (ACP) contracts.

The first contract, valued at \$26 million, will be awarded to Hop Tai Construction Co Ltd by the Highways Department for improvement works along a section of the Tsing Yi Road West.

The work, which is part of the Route 3 project, is to improve the section of Tsing Yi Road West from Fung Shue Wo Road to Ching Hong Road on Tsing Yi Island, to cope with the increase in traffic to the new airport at Chek Lap Kok.

The contract will include re-alignment and widening of carriageway, a roundabout and road junctions, reconstruction of pavement, road drainage and footpath, construction of 210-metre long noise barriers and associated landscaping works.

The work will start in November.

The second contract is for the supply of an Instrument Landing System for the new airport at Chek Lap Kok.

The contract, valued at \$25 million, has been awarded by the Civil Aviation Department to Thomson-CSF of France.

The company will be responsible for the supply, installation and commissioning of the Instrument Landing System at the new airport.

The system will provide precise and reliable radio navigational guidance for aircraft landing under all weather conditions.

Work will also start in November.

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Contract for Diamond Hill development works signed

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The Civil Engineering Department (CED) today (Tuesday) signed a \$26.9 million contract for the Phase I engineering works at Diamond Hill, Kowloon.

The works comprise the formation of 3.2 hectares of site at Diamond Hill, upgrading of the drainage system of the adjacent former quarry site to permanent standard, and the construction of 280 metres of retaining walls and 3,300 metres of surface channels.

Extensive survey will also be carried out under the contract to locate the asbestos containing materials in the abandoned squatters and specialists will be employed to clear and dispose of the materials in an environmentally acceptable manner.

On completion, the works will provide sites for a public housing project, a skills opportunity school and a fresh water pumping station.

The works will commence next month for completion in 18 months.

The construction will be supervised by the Development and Airport Division of the Civil Engineering Office of CED.

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More pollution complaint hotlines

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The 24-hour pollution complaint hotline service provided by the Environmental Protection Department (EPD) will be expanded from this Thursday (November 2).

"Instead of having one single hotline, the department will be setting up six local pollution complaint hotlines to handle complaints on a district basis," Assistant Director of Environmental Protection, Mr John Boxall said.

This had been made possible following the setting up of Local Control Offices (LCOs), which had increased from two in 1991 to six this year, he said.

"The department has recognised the need to address environmental concerns of the community and to tackle what are primarily local pollution problems on a local basis," Mr Boxall said.

Each of the LCO was charged with the responsibility of handling pollution issues in certain districts, he said, adding that one of the main tasks was to respond to pollution complaints lodged by the public.

In 1994, EPD had dealt with 10,505 pollution complaints, with air and noise complaints making up some 92 per cent of all cases. Other complaints included water pollution, solid and liquid wastes disposal.

Of the total number, 2,463 complaints originated from Hong Kong Island, 1,780 from Kowloon and 3,841 from the New Territories. Kwai Tsing, Wan Chai and Yuen Long were the districts that generated the most complaints.

Under the new hotline system which will come into operation on Thursday, pollution complaints can be directed to the LCO in charge of the district where the pollution problem occurs.

"This will strengthen contacts with the local communities and reduce the time taken to respond to public complaints against pollution," Mr Boxall said.

The areas covered by LCOs and the six respective 24-hour local pollution hotline are as follows:

LCOs Hotline -----	Districts Covered -----	Complaint -----
Territory East	Kwun Tong, Sai Kung, Wong Tai Sin	2755 7000
Territory South	Hong Kong Island, Islands	2838 3111
Territory West	Tuen Mun, Yuen Long	2411 9600
Territory North	Sha Tin, Tai Po, North	2685 1125
Urban East	Sham Shui Po, Kowloon City Yau Tsim Mong	2402 5251
Urban West	Tsuen Wan, Kwai Tsing	2417 6550

Pamphlets outlining the work and addresses of LCOs are now available at district offices and EPD offices.

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Children's Choir to sing in civic education concerts

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Over 1,000 members of the Hong Kong Children's Choir will take part in the "Gala Concert '95" on November 5 (Sunday) to promote civic awareness and human rights through songs.

Sponsored by the Committee on the Promotion of Civic Education, the concerts will be the Choir's debut of their rendition of human rights songs specially composed by some famous composers including Mr James Wong, Mr Michael Lai, Mr Mahmood Rumjahn and Mr Eddie Chiu Man-hoi.

These songs will be incorporated into a teaching kit on human rights for primary students.

Besides singing songs, the talented children will also stage musical dramas to enhance public understanding of civic education.

Through the presentations, they will convey their own perception of life, equality, freedom and mutual respect in school, family and society. The presentations will not only be interesting but also educational.

Two concerts will be given at 2.30 pm and 7.30 pm respectively in the Auditorium, Sha Tin Town Hall.

Tickets at \$70, \$80 and \$90 are available at URBTIX. Enquiries could be made at 2715 6525 or 2734 9009.

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Two Kowloon lots to let

* * * * *

The Lands Department is inviting tender for the short-term tenancies of two pieces of government land in Kowloon.

The first lot located at Chun Wah Road, Ngau Tau Kok, has an area of 1.36 hectares for use as a fee-paying public car park for parking of vehicles other than container trucks and trailers. The tenancy is for two years, renewable quarterly.

Located at Po Kong Village Road, Diamond Hill, the second lot has an area of 52 square metres for use as a plant nursery or a flower stall.

The tenancy for this lot is for three years, renewable quarterly.

Closing date for submission of both tenders is noon on November 17.

Tender forms, tender notice and conditions can be obtained from the District Lands Office, Kowloon East, 10th floor, Yau Ma Tei Car Park Building, 250 Shanghai Street, Kowloon and the Lands Department, 14th floor, Murray Building, Garden Road.

Tender plans can also be inspected at these offices.

End/Tuesday, October 31, 1995

Tender for the second issue of MTRC Notes

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The Hong Kong Monetary Authority (HKMA) announced today (Tuesday) that the tender for the second issue of Mass Transit Railway Corporation (MTRC) Notes will be held next Wednesday (November 8, 1995).

An amount of HK\$500 million in MTRC Notes will be offered for tender next Wednesday for settlement on Thursday (November 9, 1995). The five-year Notes, which mature on November 9, 2000, will carry interest at the fixed rate of 7.30% per annum payable semi-annually in arrears. Terms and conditions of the issue are described fully in the Information Memorandum.

The HK\$500-million MTRC Notes issue is the second tranche of the MTRC Note Issuance Programme in which HKMA acts as the arranger, custodian, agent and operator. The MTRC Notes, which are denominated in HK\$50,000, will be cleared through the Central Money Markets Unit (CMU) and will qualify as eligible securities for repo under the Liquidity Adjustment Facility operated by HKMA.

The Chief Executive of HKMA, Mr Joseph Yam, said: "I expect that the issue would be well received by the market, given the growing reputation of MTRC internationally and the good performance of the first issue of MTRC five-year Notes. The new issue will provide another choice of quality HK dollar debt instrument to investors."

When MTRC issued its first tranche of Notes in May 1995, the issue was met with strong demand and was 2.86 times over-subscribed.

"The spread between MTRC Notes and Exchange Fund Notes has since narrowed from 66 basis points to around 50 basis points," said Mr Roger Moss, the Finance Director of MTRC.

"We believe the second issue will help increase liquidity of our papers and maintain investors' interest."

MTRC will use the proceeds for general working capital, debt refinancing and other corporate requirements.

Members of the public who wish to tender for the Notes may do so through any of the Market Makers or Recognised Dealers on the published list which can be obtained from the Hong Kong Monetary Authority at 30th floor, 3 Garden Road, Hong Kong (or telephone 2878 8150). Each tender must be for an amount of HK\$50,000 or integral multiples thereof.

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Hong Kong Monetary Authority tender results

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Tender date	31 Oct 1995	31 Oct 1995
Paper on offer	EF bills	EF bills
Issue number	Q544	Y595
Amount applied	HK\$5,720 MN	HK\$3,340 MN
Amount allotted	HK\$1,500 MN	HK\$500 MN
Average yield accepted	5.52 PCT	5.60 PCT
Highest yield accepted	5.53 PCT	5.60 PCT
Pro rata ratio	About 16 PCT	About 94 PCT
Average tender yield	5.55 PCT	5.62 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning 6 NOV 1995

Tender date	7 NOV 1995	7 NOV 1995
Paper on offer	EF BILLS	EF BILLS
Issue number	Q545	H577
Issue date	8 NOV 1995	8 NOV 1995
Maturity date	7 FEB 1996	8 MAY 1996
Tenor	91 DAYS	182 DAYS
Amount on offer	HK\$1,500+300 MN	HK\$800+160MN

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Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
	-----	-----	-----
Opening balance in the account	2,432	0930	+140
Closing balance in the account	2,692	1000	+140
Change attributable to :		1100	+140
Money market activity	+145	1200	+145
LAF today	+115	1500	+145
		1600	+145

LAF rate 4.25% bid/6.25% offer TWI 122.1 *+0.0* 31.10.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.20	2 years	2708	6.06	100.53	5.82
1 month	5.40	3 years	3810	6.15	100.13	6.19
3 months	5.53	5 years	5009	6.95	101.16	6.78
6 months	5.58	5 years	M501	7.90	103.09	7.22
12 months	5.61					

Total turnover of EF bills and notes - \$20,344 million

Closed October 31, 1995

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