



DAILY INFORMATION BULLETIN

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THE ECONOMY ADJUSTING IN 1979

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DURING THE FIRST HALF OF 1979, THE ECONOMY HAS BEEN CONTINUING THE ADJUSTMENT PROCESS BEGUN IN 1978, WITH THE EXPORT SECTOR ASSUMING INCREASING IMPORTANCE AS THE SOURCE OF ECONOMIC GROWTH.

THIS IS SPELT OUT IN THE GOVERNMENT'S HALF-YEARLY ECONOMIC REPORT RELEASED TODAY (SUNDAY).

THE REPORT REVIEWS PRIMARILY EVENTS IN THE FIRST HALF OF 1979.

IT POINTS OUT THAT THE GROWTH RATE OF TOTAL FINAL DEMAND WAS ADJUSTING IN A DIRECTION MORE IN LINE WITH THE GROWTH RATE OF THE ECONOMY'S OUTPUT, SO THAT THE RATE AT WHICH THE VISIBLE TRADE DEFICIT IS WIDENING IS SLOWING DOWN.

THE VISIBLE TRADE DEFICIT WAS SMALLER IN RELATION TO IMPORTS IN THE FIRST HALF OF 1979 THAN IT WAS IN THE FIRST HALF OF 1978.

THE REPORT INDICATES THAT THE SHARP ACCELERATION IN THE GROWTH RATE OF DEMAND FOR EXPORTS HAS MAINTAINED THE PRESSURE OF EXCESSIVE DEMAND ON RESOURCES. SO SHORTAGES OF LABOUR CONTINUED TO PREVAIL, WAGE RATES INCREASED RAPIDLY AND, AS EXPECTED, THERE WAS A TENDENCY FOR DOMESTIC PRICES TO ACCELERATE IN THE FIRST HALF OF 1979.

BUT THE REPORT FORECASTS THAT DEVELOPMENTS IN THE REST OF THE WORLD AND IN THE DOMESTIC ECONOMY ARE LIKELY TO COMBINE TO CAUSE THE EXCESS DEMAND TO EASE OFF GRADUALLY IN THE SECOND HALF OF THIS YEAR.

THE REPORT INDICATES THAT THE EXTERNAL SECTOR WAS REMARKABLY ACTIVE IN THE FIRST HALF OF 1979 DESPITE A GENERAL SHORTAGE OF DOMESTIC RESOURCES COUPLED WITH RAPID INCREASES IN THE PRICES OF THESE RESOURCES.

BETTER ECONOMIC PROSPECTS IN HONG KONG'S MAJOR MARKETS IN EUROPE AND THE SUBSTANTIAL DEPRECIATION OF THE HONG KONG DOLLAR AGAINST STERLING AND THE DEUTSCHEMARK WERE AMONG THE MAJOR FACTORS LEADING TO THE ACCELERATION IN THE GROWTH RATE OF DOMESTIC EXPORTS.

THE VALUE OF DOMESTIC EXPORTS IN THE FIRST HALF OF 1979 WAS 34 PER CENT HIGHER THAN IN THE FIRST HALF OF 1978.

THE GROWTH RATES OF DOMESTIC EXPORTS TO THE UNITED KINGDOM AND THE FEDERAL REPUBLIC OF GERMANY WERE PARTICULARLY RAPID.

ALTHOUGH THE GROWTH RATE OF IMPORTS WAS STILL VERY RAPID (36 PER CENT), IT WAS SIGNIFICANTLY LESS THAN THAT OF TOTAL EXPORTS (39 PER CENT).

/FURTHERMORE

FURTHERMORE, THE GROWTH RATE OF IMPORTS, AFTER DISCOUNTING FOR PRICE INCREASES, WAS ABOUT 20 PER CENT HIGHER IN THE FIRST HALF OF 1979 COMPARED WITH THE FIRST HALF OF 1978.

THIS REPRESENTED A MARKED DECELERATION COMPARED WITH GROWTH RATES IN REAL TERMS OF 27 PER CENT AND 29 PER CENT RESPECTIVELY FOR THE THIRD AND FOURTH QUARTERS OF LAST YEAR.

ON THE RE-EXPORT TRADE, THE REPORT SUGGESTS A RE-EMERGING ROLE OF HONG KONG AS AN ENTREPOT. THE VALUE OF RE-EXPORTS IN THE FIRST HALF OF 1979 WAS 55 PER CENT HIGHER THAN IN THE FIRST HALF OF 1978.

THE REPORT GIVES A DETAILED ANALYSIS ON THE GROWTH RATE OF THE MONEY SUPPLY AND OF BANK LENDING AND ARGUES THAT THE GROWTH RATE OF THE MONEY SUPPLY, HOWEVER DEFINED, HAS SHOWN SIGNS OF SLOWING DOWN.

THE GROWTH RATE OF LOANS TO FINANCE ECONOMIC ACTIVITIES, THAT IS, BANK LOANS CONSOLIDATED WITH LOANS EXTENDED BY DEPOSIT-TAKING COMPANIES, WAS ALSO SLOWING DOWN.

ON THE HONG KONG DOLLAR, THE REPORT EMPHASISES THAT THE TRADE WEIGHTED EXCHANGE RATE INDEX HAS REMAINED RELATIVELY STABLE DURING THE FIRST HALF OF THIS YEAR COMPARED WITH THE MOVEMENTS DURING 1978.

THE REPORT SUGGESTS THAT THE DEPRECIATION OF THE HONG KONG DOLLAR IN THE FIRST HALF OF THE YEAR WAS MAINLY DUE TO THE FAIRLY LARGE VISIBLE TRADE DEFICIT.

ARBITRAGE TRANSACTIONS BETWEEN THE GOLD MARKETS IN HONG KONG AND OVERSEAS ALSO HAD A MARKED INFLUENCE FROM TIME TO TIME.

ON PRICES, THE REPORT SHOWS THE CONSUMER PRICE INDEXES INCREASING AT A RATE BETWEEN NINE PER CENT AND 10 PER CENT IN THE FIRST HALF OF THIS YEAR, REPRESENTING, AS EXPECTED BY THE FINANCIAL SECRETARY IN HIS BUDGET SPEECH THIS YEAR, AN ACCELERATION FROM THE SIX PER CENT INCREASE IN 1978.

THE REPORT POINTS OUT THAT THE HIGH RATE OF INCREASE IN PRICES WAS THE RESULT OF EXCESS DEMAND ON DOMESTIC FACTORS OF PRODUCTION AND ON GOODS AND SERVICES PRODUCED IN THE ECONOMY AIDED BY THE DELAYED EFFECT OF THE DEPRECIATION OF THE HONG KONG DOLLAR, AND BY MOVEMENTS IN WORLD PRICES WHICH HAD, IN THE FIRST HALF OF THIS YEAR, BEGUN TO ACCELERATE.

OTHER HIGHLIGHTS OF THE REPORT INCLUDE:

- * A CONTINUING STRONG DEMAND FOR LABOUR-
- * A RAPID INCREASE IN WAGE RATES DURING THE FIRST HALF OF THE YEAR-
- * A BETTER BALANCE DEVELOPING BETWEEN THE SUPPLY OF AND THE DEMAND FOR PRIVATE SECTOR PROPERTY, ALTHOUGH EXCESS DEMAND STILL PERSISTED IN LARGE RESIDENTIAL FLATS-

- * A POSSIBLE SHORTAGE DEVELOPING IN OFFICE SPACE, AND
- * AN ACCELERATION IN THE RATE OF INCREASE IN BUILDING AND CONSTRUCTION COSTS.

COMMENTING ON THE REPORT, A GOVERNMENT SPOKESMAN SAID THAT THE ECONOMY IS CLEARLY ADJUSTING WITH THE GROWTH RATE OF TOTAL FINAL DEMAND NOW MORE IN LINE WITH THE GROWTH RATE OF THE ECONOMY'S OUTPUT SO THAT THE RATE AT WHICH IMPORTS ARE SUCKED IN IS SLOWING DOWN.

THE VISIBLE TRADE DEFICIT AS A PROPORTION OF IMPORTS HAS BECOME SMALLER.

HE ADDED THAT THE ECONOMY IS PROCEEDING LARGELY ON COURSE WITH EXPORTS GRADUALLY REGAINING THEIR POSITION AS THE MAIN IMPETUS TO GROWTH.

HE SAID THAT THE REDISTRIBUTION OF RESOURCES IN FAVOUR OF THE EXPORT SECTOR IS ENCOURAGING.

HOWEVER, THE SPOKESMAN SAID THAT PARTLY AS A RESULT OF HIGHER THAN EXPECTED INCREASES IN OIL PRICES AND HENCE IN WORLD PRICES IN GENERAL, DOMESTIC PRICES LOOK LIKE TO BE INCREASING AT A RATE HIGHER THAN EXPECTED AT THE BEGINNING OF THE YEAR, BUT NOT SIGNIFICANTLY SO.

THE REPORT WILL SHORTLY BE ON SALE AT \$14 A COPY.

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16 MILLION HK CHICKENS END UP IN THE POT ANNUALLY * * * *

SIXTEEN MILLION CHICKENS, OR 70 PER CENT OF TOTAL SALES, THAT END UP IN THE POT ANNUALLY COME FROM HONG KONG'S OWN POULTRY FARMS.

THIS HAS BEEN THE RECORD FOR THE PAST DECADE — SHOWING THIS IS ONE AREA OF THE MARKET THAT HAS NEVER LOST OUT TO IMPORTS.

ONE REASON FOR THIS IS, OF COURSE, HONG KONG'S DISCRIMINATING CONSUMERS. IF THEY HAVE CHICKEN DINNER IN MIND THEY WILL HEAD STRAIGHT FOR THE STALL SELLING LOCALLY BRED CHICKENS.

PLAYING NO SMALL ROLE IN KEEPING THE CONSUMER HAPPY IS THE AGRICULTURE AND FISHERIES DEPARTMENT.

POULTRY EXPERTS FROM THIS DEPARTMENT ARE CONTINUOUSLY +HATCHING+ IDEAS ON A FATTER, MORE SUCCULENT VARIETY OF CHICKEN.

FOR EXAMPLE, AFTER 10 YEARS OF INTENSIVE SELECTION AND CROSS-BREEDING EXPERIMENTS AT THE CASTLE PEAK POULTRY BREEDING CENTRE, EXPERTS HAVE IMPROVED THE +SHEK KI+ BREED.

THESE ARE USED AS BREEDING STOCK FOR MULTIPLICATION IN BREEDING FARMS. THEY ALSO SUCCESSFULLY FOUND OUT SUITABLE BREEDING PROGRAMMES TO BE ADOPTED BY FARMERS TO ACHIEVE HIGHER PRODUCTIVE PERFORMANCES.

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+LAST YEAR WE SUPPLIED LOCAL BREEDERS WITH 60,000 HIGH QUALITY CHICKS, AN INCREASE OF 10,000 OVER THE PREVIOUS YEAR,+ MRS. LO TAM YUEN-YIN, HEAD OF THE CENTRE, SAID TODAY.

ABOUT 80 PER CENT OF THESE WERE SHEK KI'S, MRS. LO POINTED OUT.

SHE SAID THE PRODUCTION CAPACITY AT THE POULTRY PRODUCTION UNIT WILL BE DOUBLED TO 120,000 IN 1981 TO COPE WITH THE INCREASING DEMAND AND THAT BY 1984 PRODUCTION WILL BE INCREASED TO 180,000 WHEN NEW PREMISES AND ADDITIONAL EQUIPMENT ARE AVAILABLE.

EXPLAINING THE WORK OF THE CENTRE, MRS. LO SAID TECHNICAL ASSISTANCE AND KNOW-HOW, INCLUDING LABORATORY DIAGNOSIS SERVICE AND DISEASE CONTROL, ARE PROVIDED FOR THE POULTRY INDUSTRY.

+JOINT EFFORTS BETWEEN THE BREEDERS AND THE DEPARTMENT HAVE HELPED TO KEEP THE MARKET STEADY WITH HONG KONG IN THE FOREFRONT IN SALES FOR THE PAST DECADE,+ SHE SAID.

AT THE SAME TIME, OTHER ADVANCEMENT MADE ARE:

- * POULTRY FARMERS ARE NOW ADOPTING BETTER MANAGEMENT METHODS, INCLUDING AUTOMATIC DRINKING AND FEEDING SYSTEMS AND BALANCED FEEDS=
- * THE CHICKENS ARE NOW HOUSED IN BETTER DESIGNED PREMISES, AND
- * BETTER QUALITY BREEDING STOCK IS AVAILABLE.

+WE ALSO GIVE ON-THE-SPOT ADVICE TO FARMERS. THIS RANGES FROM INFORMATION ON YIELD INCREASES AND DISEASE CONTROL,+ MRS. LO SAID.

+THE LATEST TECHNIQUES ARE ALSO WIDELY PUBLICISED THROUGH A WEEKLY PROGRAMME BORADCAST OVER RADIO TELEVISION HONG KONG. WE ALSO HOLD SEMINARS, COURSES AND VISITS,+ MRS. LO ADDED.

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OVER 2,700 GRADUATE FROM EVENING COURSES IN
TECHNICAL INSTITUTES
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MORE THAN 2,700 STUDENTS HAVE GRADUATED FROM VARIOUS EVENING COURSES RUN BY THE FOUR TECHNICAL INSTITUTES IN THE 1978-79 SESSION.

THE COURSES COVER 10 DISCIPLINES INCLUDING HOTEL-KEEPING AND TOURISM STUDIES, COMMERCIAL STUDIES, CONSTRUCTION, ELECTRICAL ENGINEERING, MECHANICAL ENGINEERING, GENERAL STUDIES, PRINTING, TEXTILE INDUSTRIES, CLOTHING INDUSTRIES AND MARINE FABRICATION.

+IN THE 1978-79 SESSION THERE WERE 13,000 STUDENTS STUDYING IN THE EVENING COURSES IN THE FOUR TECHNICAL INSTITUTES — MORRISON HILL, KWAI CHUNG, KWUN TONG AND HAKING WONG,+ AN EDUCATION DEPARTMENT SPOKESMAN SAID TODAY (SUNDAY).

SIXTY-SIX EVENING COURSES ARE OFFERED IN THE 10 DISCIPLINES AND CAN BE BROADLY CLASSIFIED INTO TWO LEVELS, THE TECHNICIAN LEVEL (POST-FORM V) AND THE CRAFT LEVEL (POST-FORM III), HE ADDED.

THE DURATION OF THE EVENING COURSES VARY FROM SIX MONTHS TO FIVE YEARS.

IN OCTOBER THIS YEAR, THE FIFTH INSTITUTE RUN BY THE GOVERNMENT — LEE WAI LEE TECHNICAL INSTITUTE — WILL COME INTO OPERATION IN KOWLOON TONG.

TWO NEW DISCIPLINES WILL BE OFFERED BY THE INSTITUTE, NAMELY INDUSTRIAL TECHNOLOGY AND DESIGN, WHEN THE NUMBER OF EVENING COURSES OFFERED WILL BE INCREASED TO 80.

+IT IS ANTICIPATED THAT WITH THE OPENING OF THESE COURSES MORE TECHNICAL AND PROFESSIONAL MANPOWER WILL BE TRAINED FOR THE COMMERCIAL AND INDUSTRIAL SECTORS OF THE HONG KONG COMMUNITY,+ THE SPOKESMAN SAID.

MOST GRADUATES FROM EVENING COURSES ARE EMPLOYED IN THE DAY-TIME AND THEY PURSUE THEIR STUDIES, RELEVANT TO THEIR WORK, IN THE EVENING TO ACQUIRE HIGHER QUALIFICATIONS AND BETTER PROMOTION PROSPECTS.

+AMONG THESE STUDENTS, SOME MAY PURSUE FURTHER STUDIES IN HIGHER LEVEL COURSES IN THE TECHNICAL INSTITUTES OR IN THE HONG KONG POLYTECHNIC,+ THE SPOKESMAN SAID.

IN ADDITION TO THE GRADUATES FROM THE EVENING COURSES, MORE THAN 2,000 STUDENTS HAVE SUCCESSFULLY COMPLETED VARIOUS SHORT COURSES RUN BY THE TECHNICAL INSTITUTES IN THE 10 DISCIPLINES, HE SAID.

/THE BREAKDOWN

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THE BREAKDOWN OF THE GRADUATES IN THE 10 MAIN DISCIPLINES
IN THE 1978-79 SESSION IS AS FOLLOWS:

| <u>DISCIPLINES/ DEPARTMENTS</u> | <u>NO. OF GRADUATES</u> | | <u>NO. OF STUDENTS COMPLETED SHORT COURSES</u> |
|---|-----------------------------|------------------------|--|
| | <u>TECHNICIAN LEVEL</u> | <u>CRAFT LEVEL</u> | |
| 1. HOTEL-KEEPING AND TOURISM STUDIES | 31 | - | 57 |
| 2. COMMERCIAL STUDIES | 586 | 259 | 483 |
| 3. CONSTRUCTION | 214 | 135 | 290 |
| 4. ELECTRICAL ENGINEERING | 157 | 139 | 682 |
| 5. MECHANICAL ENGINEERING | 29 | 100 | 257 |
| 6. GENERAL STUDIES | - | 877 | 97 |
| 7. PRINTING | 18 | 55 | - |
| 8. MARINE AND FABRICATION | - | 24 | - |
| 9. TEXTILE INDUSTRIES | - | 29 | 156 |
| 10. CLOTHING INDUSTRIES | - | 62 | 84 |
| TOTAL | 1,035 | 1,680 | 2,106 |

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PWD PROJECTS DURING FIRST 3 MONTHS OF FISCAL YEAR
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THE ARCHITECTURAL OFFICE OF THE PUBLIC WORKS DEPARTMENT EITHER COMPLETED OR HAD IN HAND MORE THAN 40 PROJECTS DURING THE FIRST THREE MONTHS OF THE FINANCIAL YEAR.

ANNOUNCING THIS TODAY (SUNDAY), A SPOKESMAN FOR PWD SAID 12 PROJECTS WERE COMPLETED AND ANOTHER 33 WERE EITHER ABOUT TO START OR WERE ALREADY UNDER CONSTRUCTION.

AMONG THOSE JOBS FINISHED WERE:

- * THE REFURBISHING OF GOVERNMENT HOUSE-
- * 400 POLICE MARRIED QUARTERS-
- * THE CENTRAL PROMENADE AND
- * THE CHEP LAP KOK METEOROLOGICAL STATION

INCLUDED IN THE VARIED LIST OF PROJECTS IN VARIOUS STAGES WERE:

- * THE CHIU LU SAU GOVERNMENT SECONDARY SCHOOL IN YUEN LONG-
- * A FIRE STATION AND NEW TERRITORIES FIRE COMMAND HEADQUARTERS IN SHA TIN-
- * THE INTERNATIONAL MAIL CENTRE-
- * THE SPACE MUSEUM IN TSIM SHA TSUI-
- * SPECTATORS' STANDS AT THE EXHIBITION TENNIS COURTS IN VICTORIA PARK-
- * A DRIVING TEST CENTRE AT TSZ WAN SHAN-
- * THE SHA TIN HOSPITAL AND POLYCLINIC, AND
- * THE DENTAL TEACHING CLINIC

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EXPANSION OF MEDICAL FACILITIES IN SAI KUNG

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THE GENERAL OUTPATIENT DEPARTMENT AT THE SAI KUNG DISPENSARY WILL MOVE TO THE NEW SAI KUNG GOVERNMENT CLINIC AT 73-75 MAN NIN STREET ON AUGUST 18.

THIS REPRESENTS ANOTHER STEP TAKEN BY THE MEDICAL AND HEALTH DEPARTMENT TO EXPAND AND IMPROVE FACILITIES FOR THE INCREASING POPULATION IN THE NEW TERRITORIES REGION.

THE NEW CLINIC WITH A FLOOR AREA OF MORE THAN 2,000 SQUARE FEET, FOR WHICH REPROVISIONING WORK HAS JUST BEEN COMPLETED, COMPRISES THREE CONSULTING ROOMS, A TREATMENT ROOM, DISPENSARY, REGISTRATION OFFICE, A STAFF ROOM AND SPACIOUS WAITING AREAS FOR PATIENTS SEEKING TREATMENT.

AN EYE CLINIC WILL ALSO BE ACCOMMODATED THERE, AND IT IS ENVISAGED THAT MORE SPECIALTY SERVICES WILL BE PROVIDED AS SPACE BECOMES AVAILABLE.

THE MATERNAL AND CHILD HEALTH CENTRE, THE MATERNITY WARD AND THE CHEST SERVICE PROVIDED IN THE SAI KUNG DISPENSARY WILL REMAIN AT THE OLD PREMISES.

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WATER CUT

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THE WATER SUPPLIES DEPARTMENT ANNOUNCED TODAY (SUNDAY) THAT FRESH WATER SUPPLY TO A NUMBER OF PREMISES IN SHEUNG WAN WILL BE SUSPENDED FOR SEVEN HOURS FROM 11 P.M. ON TUESDAY TO 6 A.M. THE FOLLOWING DAY FOR NIGHT LEAKAGE TESTS.

THE AREA AFFECTED IS BOUNDED BY THE NORTH SIDE OF BONHAM STRAND, WEST SIDE OF HILLIER STREET, CONNAUGHT ROAD CENTRAL, EAST SIDE OF THE MORRISON STREET INCLUDING WING LOK STREET, 233-321, 254-320 DES VOEUX ROAD CENTRAL AND THE MACAU FERRY WHARF HYDROFOIL TERMINAL.

IN KOWLOON, FRESH WATER SUPPLY TO A NUMBER OF PREMISES IN WONG TAI SIN WILL BE STOPPED FOR SIX HOURS FROM MIDNIGHT TO 6 A.M. ON TUESDAY FOR NIGHT LEAKAGE TESTS.

THE AREA AFFECTED IS BOUNDED BY LUNG CHEUNG ROAD, BEACON HILL ROAD, EDE ROAD AND BROADCAST DRIVE, INCLUDING EASTBOURNE ROAD, RHONDDA ROAD, ALNWICK ROAD, MARCONI ROAD, FESSENDEN ROAD AND THE LOCAL GOVERNMENT OFFICERS' HOUSING SCHEME.

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