



## DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES  
BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

Tuesday, June 11, 1996

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Legal services reforms to be submitted to LegCo

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A Bill to give effect to proposals for improvements to legal services, including the abolition of scale fees for conveyancing work, will be published this week.

A spokesman for the Legal Department said today (Tuesday) that the Attorney General, Mr Jeremy Mathews, had promised to introduce this legislation within the current legislative session when he announced the results of the consultation exercise on legal services in February.

The Legal Services Legislation (Miscellaneous Amendments) Bill 1996 will be gazetted this Friday (June 14) and introduced into the Legislative Council on June 26.

In his earlier announcement, the Attorney General had said legislation would be prepared to abolish scale fees in respect of conveyancing work. He also said if, before the legislation was introduced into the Legislative Council, the Law Society made alternative proposals that were fair to consumers and were not anti-competitive, the Administration would give them careful consideration.

From the Law Society's response to the Consultation Paper on Legal Services published last year, and subsequent correspondence with the Attorney General, the Administration had expected that the proposals that the Law Society would eventually put forward would:

- \* contain specific proposals in respect of the fees for various types of transaction e.g. project conveyancing, and conveyances where a solicitor acts in the purchase and mortgage of the property; and
- \* be supported by detailed empirical data, including the report prepared by its accounting consultants.

The spokesman noted that on May 17, the Law Society submitted its proposals to the Administration in the form of a position paper, suggesting that the appropriate way in which to address the problem would be for the Costs Committee to be reconvened to determine the acceptable level and structure of the fee system, without producing any specific proposals supported by empirical data.

"The Administration has been given nothing to evaluate," the spokesman said.

"Except a proposal that the Costs Committee, a body that would not meet in public and half of whose members are from the Law Society, should decide the level and structure of the fee system."

The Administration would be abdicating the responsibility it has assumed of ensuring that consumers are properly protected if it accepted the Law Society's proposal, he explained.

Apart from the abolition of scale fees, the Bill proposes that:

- \* solicitors should be permitted to incorporate their practices, subject to proper safeguards;
- \* the Law Society should be prohibited from creating non-statutory mandatory fee scales, and the existing non-statutory scale in respect of probate work should be abolished;
- \* solicitors should be required to pay interest to clients, where it is reasonable to do so, in respect of clients' money held by them;
- \* the Law Society should be given the power to make rules allowing solicitors to practise in multi-disciplinary practices;
- \* contractual provisions under the Consent and Non-consent Schemes requiring a buyer to pay the seller's legal costs should be made legally invalid; and
- \* the status of Queen's Counsel should, under the name of Senior Counsel, be retained.

Since solicitors are to be permitted to incorporate, it is considered that foreign lawyers should also be permitted to incorporate, and the Bill so provides. Similarly, as the Bill provides for rules to be made permitting solicitors to enter into multi-disciplinary practices, it also provides for rules to be made regulating notaries public who practise in multi-disciplinary practices.

The Bill also proposes to broaden the composition of the Costs Committee, which is empowered to make rules, with the prior approval of the Chief Justice, to provide for the remuneration of solicitors in respect of non-contentious business. The proposal is for amending the constitution of the Committee so that, in addition to the current membership, it will include four to six other persons.

At least one of these must be someone who represents the interests of consumers of legal services, and the others must have substantial experience in banking, accounting or some other commercial activity. The effect will be that some members will represent the solicitors profession or consumer interests, and others (including the representatives of the Judiciary) will act as independent arbiters.

The Bill also contains minor amendments to the provisions in the Legal Practitioners Ordinance dealing with the Barristers Disciplinary Tribunal, to overcome practical problems that have emerged since the provisions were enacted in 1992.

End

#### Revision of postage rates

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The Postmaster General, Mr Robert Footman, announced today (Tuesday) details of the new postage rates to take effect on September 2.

Commenting on the revised rates, Mr Footman said: "Operating costs have increased over the past 15 months due to inflation, increased staff costs and higher payments to overseas postal administrations. We have to increase our rates to meet these costs, and to fund further improvements in service.

"The overall weighted average increase for postage rates will be 8.7 per cent, which is 0.4 per cent below inflation since the last increase in June 1995. In this way, we are able to pass on some benefit to our customers. We now project a return of some 7.6 per cent on our assets this year.

"Local and surface mail services have long operated at a deficit. These services are currently being cross-subsidised by other services. To reduce cross-subsidisation, the increases for local mail and surface mail will be 8.8 per cent and 8.6 per cent compared with air mail at 8.1 per cent.

"After the revision, the local and surface mail will continue to operate at a deficit, but a smaller one. Our three core services, taken together, will more or less break even."

Mr Footman said even after these increases, Hong Kong postal charges would remain among the lowest in the industrialised world.

"Given that postage constitutes only a small proportion of consumer expenditure, the increases are unlikely to have any significant impact on general inflation," he added.

He said: "We need to generate a reasonable return, subject to any postage rates increase being broadly in line with inflation, to be sure that we can invest in our future.

"Our investment programme for the next five years is some \$824 million, including for new and reprovisioned premises, the New Air Mail Centre, plant and machinery, new services and new vehicles.

"This investment programme will help us improve our productivity, as well as our quality of service. On productivity, investment in culler facer cancellers, track and trace, and the new air mail centre will save us some 83 posts by 1998."

After the revision, the basic rates for local letters and printed papers will be increased by 10 cents, i.e. from \$1.20 to \$1.30 for letters, and from \$1.10 to \$1.20 for standard printed papers. For surface letters and printed papers to China, Macau and Taiwan, the basic rates will be increased from \$1.50 to \$1.60 and from \$1.30 to \$1.40 respectively.

For surface mail to other countries, zones similar to air mail to reflect the difference in conveyance costs for different countries will be introduced. For Zone 1 (mainly Asian countries except Japan), the postage rates for letters up to 250g will remain unchanged. For Zone 2 (rest of the world), the basic rate will be increased from \$2.30 to \$2.60. For printed papers, the basic rate for Zone 1 will be reduced from \$2.10 to \$1.90, against an increase of 20 cents to \$2.30 for Zone 2.

The basic weight step for air letters will be revised from 10g to 20g in order to address the problem of underpaid items. It is estimated that some 30 per cent of the letters posted at the 10g weight step are underpaid, resulting in a significant loss of revenue. For Zone 1, there will be an increase of 40 cents for letters below 10g, against a decrease of 70 cents at the 20g weight step. The combined new rate will be \$2.50. For printed papers the increase is 40 cents and the decrease is 30 cents, the new combined rate being \$2.00. Similar changes apply for Zone 2. For customers posting letters of less than 10g, the cheaper alternative of using aerogrammes, for which the increase will be 20 cents to \$2.30, will still be available.

The current composition of our traffic to Japan will attract the new internationally agreed higher terminal dues rates. Until now Japan has been grouped with lower cost destinations under Zone 1. Since the volume of traffic to Japan is high and increasing, it is necessary to reclassify Japan from Zone 1 to Zone 2 in order to partially recover increasing costs.

There are no proposals on this occasion to revise the miscellaneous fees and charges which include registration fees, post office box rental, redirection fee, and so on.

End

Tai A Chau Detention Centre to be closed

\* \* \* \* \*

In response to press enquiries, a government spokesman today (Tuesday) confirmed that in November 1988, the Security Branch did undertake to close the Whitehead Detention Centre first when the Vietnamese migrant (VM) situation improved.

He said it was most unfortunate that VMs continued to arrive in large numbers until the end of 1991, thus requiring the establishment not only of Whitehead, but also of High Island and Tai A Chau.

"Our objective now is the repatriation of the whole VM population as soon as possible. This objective is endorsed by the community at large," the spokesman said.

Unlike the VMs in other camps, those in Tai A Chau have not been made to feel the impact of the Orderly Repatriation Programme (ORP).

The result was evident for all to see, he said, adding that the pace of voluntary repatriation from Tai A Chau had been pitifully low - only 570 VMs from that camp had joined the voluntary programme over the last two years.

"There is no reason to believe that this trend will change for as long as this VM population remains in Tai A Chau," the spokesman said.

There are obvious logistical difficulties in mounting ORP operations in Tai A Chau. The population there must therefore be moved to a mainland camp.

"If we are to meet our repatriation objectives, we have no option but to go ahead with the transfer of the Tai A Chau population to Whitehead," the spokesman stressed.

End

CS continues to promote HK in Los Angeles

\* \* \* \* \*

The Chief Secretary, Mrs Anson Chan, on Monday (June 10) continued her programme with the Hong Kong-USA promotion in Los Angeles, the sixth city of her seven-city tour.

She began her day with a breakfast briefing with business leaders, arranged by the Hong Kong Association of Southern California. She also met with the editorial board of the Los Angeles Times and had meetings with the Mayor of Los Angeles, Richard Riordon, and with the Mayor of Beverly Hills, Tom Levyn.

Mrs Chan gave a speech to the faculty, graduate students and management of the University College of Los Angeles at a luncheon hosted by faculties of the Anderson Graduate School of Management, the Center for Pacific Rim Studies and the School and Public Policy and Social Research.

Her day ended with a gala dinner hosted by the Hong Kong Economic and Trade Office (HKETO) for more than 400 guests, during which Treasurer for the State of California Matt Fong and Mrs Chan both delivered remarks.

Mrs Chan said California, with its special links with Hong Kong, was a fitting venue for the Hong Kong-USA'96 promotion.

"California holds a special place in the hearts and minds of Hong Kong people.

"Not only is it the traditional gateway to the USA for trade and business, but it has also been the preferred place of education for many young Hong Kong people. And in recent years, the home of many Hong Kong families," she said.

She said the Hong Kong-USA promotion was designed to re-affirm Hong Kong's long term commitment to partnership with the USA.

"This partnership is founded solidly on a history of trade and commerce, and on a shared belief in the principles of free trade and free enterprise," Mrs Chan said.

Hong Kong had proved itself to be a valued partner of the USA, and a strategic business base for US operations in the Asia Pacific region, she added.

The dinner included a performance by the Chamber Ensemble from the renowned Hong Kong Chinese Orchestra currently touring the United States.

The programme in Los Angeles continues tomorrow (Tuesday) with a business seminar organised by HKETO and the Hong Kong Trade Development Council (HKTDC) in downtown Los Angeles.

Mrs Chan will give a keynote speech at the seminar luncheon.

Other activities for the day include the opening of the "Hong Kong Wonders Never Cease" exhibition at Universal Citywalk, organised by HKTDC, HKETO and the Television Broadcasts Ltd.

End

#### External trade statistics for April

\* \* \* \* \*

The Census and Statistics Department today (Tuesday) released detailed statistics on external trade with breakdown by country/territory and commodity for April 1996.

In April 1996, the value of re-exports registered a significant increase of 17% over a year earlier to \$98.9 billion, while the value of domestic exports and imports also registered increases of 1.8% to \$17.2 billion and 8.4% to \$133 billion respectively.

Changes in the value of Hong Kong's re-exports to ten main destinations are shown in Table 1.

Comparing April 1996 with April 1995, the value of re-exports to all main destinations showed increases of various magnitudes : Japan (+27%), Singapore (+24%), the United Kingdom (+23%), Germany (+23%), France (+20%), China (+19%), the Netherlands (+17%), South Korea (+12%), Taiwan (+8.8%) and the United States (+8.3%).

Comparing the first four months of 1996 with the same period in 1995, the value of re-exports to all main destinations showed increases of various magnitudes : Japan (+31%), France (+15%), the United Kingdom (+15%), China (+13%), Germany (+12%), Singapore (+12%), the Netherlands (+11%), South Korea (+5.6%), Taiwan (+1.6%) and the United States (+0.1%).

Taking all destinations together, the value of re-exports in the first four months of 1996 was \$358.6 billion, 10% higher than that in the same period in 1995.

Table 2 shows changes in the value of re-exports of ten principal commodity divisions.

Comparing the first four months of 1996 with the same period in 1995, the value of re-exports of most principal commodity divisions rose. More notable increases were registered for electrical machinery, apparatus and appliances, and electrical parts thereof (by \$5.8 billion or 18%); office machines and automatic data processing machines (by \$4.4 billion or 26%); clothing (by \$2.9 billion or 11%); miscellaneous manufactured articles consisting mainly of baby carriages, toys, games and sporting goods (by \$2.4 billion or 6.6%); photographic apparatus, equipment and supplies, optical goods, watches and clocks (by \$2.2 billion or 15%); and footwear (by \$2 billion or 11%).

Over the same period, a decrease in the value of re-exports was registered for telecommunications and sound recording and reproducing apparatus and equipment (by \$1.3 billion or 3.6%).

Changes in the value of domestic exports to ten main destinations are shown in Table 3.

Comparing April 1996 with April 1995, increases were recorded in the value of domestic exports to Japan (+21%), the United Kingdom (+9.6%), China (+9.3%) and Germany (+4.6%).

Over the same period, decreases were recorded in the value of domestic exports to France (-12%), Singapore (-6.1%), the Netherlands (-5.6%), the United States (-4.9%), Taiwan (-3.7%) and Canada (-3.7%).

Comparing the first four months of 1996 with the same period in 1995, the value of domestic exports to Taiwan and the United Kingdom increased by 6.2% and 5.3% respectively. But decreases were recorded in the value of domestic exports to Singapore (-9.9%), the United States (-8.4%), Canada (-4.1%), Germany (-4.1%), the Netherlands (-4.0%), Japan (-2.3%), France (-2.3%) and China (-0.2%).

Taking all destinations together, the value of domestic exports in the first four months of 1996, at \$64.7 billion, decreased by 4% over the same period in 1995. The decline was nevertheless mainly due to the particularly weak export performance in March.

Table 4 shows changes in the value of domestic exports of ten principal commodity divisions.

Comparing the first four months of 1996 with the same period in 1995, increases in the value of domestic exports were registered for electrical machinery, apparatus and appliances, and electrical parts thereof (by \$1.6 billion or 18%); and machinery specialised for particular industries (by \$168 million or 19%).

Over the same period, decreases in the value of domestic exports were recorded for office machines and automatic data processing machines (by \$1.8 billion or 29%); clothing (by \$837 million or 4.5%); telecommunications and sound recording and reproducing apparatus and equipment (by \$621 million or 18%); miscellaneous manufactured articles consisting mainly of jewellery, goldsmiths' and silversmiths' wares (by \$466 million or 7.8%); and photographic apparatus, equipment and supplies, optical goods, watches and clocks (by \$270 million or 5.2%).

Changes in the value of imports from ten main suppliers are shown in Table 5.

Comparing April 1996 with April 1995, the value of imports from most main suppliers showed increases of various magnitudes : the United Kingdom (+26%), Malaysia (+25%), Italy (+18%), the United States (+15%), South Korea (+15%), Singapore (+14%), China (+12%), Germany (+7.7%) and Taiwan (+4%).

However, the value of imports from Japan decreased by 4.2%.

Comparing the first four months of 1996 with the same period in 1995, the value of imports from most main suppliers showed increases of various magnitudes : Malaysia (+30%), Italy (+24%), the United Kingdom (+21%), the United States (+15%), Singapore (+14%), Germany (+11%), China (+6.5%), South Korea (+6.3%) and Taiwan (+1.9%).

However, the value of imports from Japan decreased by 3.6%.

Taking all sources together, the value of imports in the first four months of 1996, at \$480.1 billion, increased by 6.9% over the same period in 1995.

Table 6 shows changes in the value of imports of ten principal commodity divisions.

Comparing the first four months of 1996 with the same period in 1995, increases were recorded in the value of imports of most principal commodity divisions. More notable increases were registered for electrical machinery, apparatus and appliances, and electrical parts thereof (by \$8.6 billion or 16%); office machines and automatic data processing machines (by \$4.3 billion or 22%); telecommunications and sound recording and reproducing apparatus and equipment (by \$1.9 billion or 4.2%); clothing (by \$1.8 billion or 6.6%); general industrial machinery and equipment, and machine parts (by \$1.7 billion or 11%); and miscellaneous manufactured articles consisting mainly of baby carriages, toys, games and sporting goods (by \$1.7 billion or 5.8%).

Over the same period, a decrease in the value of imports was recorded for textiles (by \$1.5 billion or 3.5%).

All the trade statistics described here are measured at current prices and no account has been taken of changes in prices between the periods of comparison.

A separate analysis of the volume and price movements of external trade for April 1996 will be released in early July 1996.

Detailed trade statistics analysed by commodity and by country/territory are published in trade statistics reports.

The April 1996 issue of the "Hong Kong External Trade" with detailed analyses on the performance of Hong Kong's external trade in April 1996 will be on sale at \$129 per copy around June 24.

The report can be purchased at either the Government Publications Centre, ground floor, Low Block, Queensway Government Offices, 66 Queensway, Hong Kong, or the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

Enquiries regarding regular subscription to this report may be directed to the Publications (Sales) Office, 28th floor, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong (Tel 2598 8194) and enquiries on trade statistics to the Census and Statistics Department (Tel 2582 4915).

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TABLE 1 : RE-EXPORTS TO TEN MAIN DESTINATIONS

DESTINATION	APR 1996 (HKD Mn.)	APR 96 OVER APR 95 (% CHANGE)	JAN-APR 1996 (HKD Mn.)	JAN-APR 96 OVER JAN-APR 95 (% CHANGE)
CHINA	37,125	+ 18.9	130,662	+ 12.8
UNITED STATES	18,578	+ 8.3	64,503	+ 0.1
JAPAN	6,474	+ 27.0	25,928	+ 31.0
GERMANY	3,877	+ 22.7	14,760	+ 12.2
UNITED KINGDOM	2,612	+ 23.3	9,628	+ 15.0
TAIWAN	2,304	+ 8.8	8,510	+ 1.6
SINGAPORE	2,296	+ 23.6	8,335	+ 11.7
SOUTH KOREA	1,783	+ 12.4	6,382	+ 5.6
FRANCE	1,645	+ 20.5	5,728	+ 15.1
NETHERLANDS	1,452	+ 17.1	5,531	+ 11.5

TABLE 2 : RE-EXPORTS OF TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	APR 1996 (HKD Mn.)	APR 96 OVER APR 95 (% CHANGE)	JAN-APR 1996 (HKD Mn.)	JAN-APR 96 OVER JAN-APR 95 (% CHANGE)
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS)	11,315	+ 15.0	38,727	+ 6.6
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	10,387	+ 32.6	38,213	+ 17.9
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	9,494	+ 14.3	34,817	- 3.6
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	8,651	+ 7.3	29,878	+ 2.6
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	7,013	+ 12.7	28,527	+ 11.2
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	5,677	+ 7.6	21,313	+ 26.2
FOOTWEAR	4,924	+ 11.0	20,630	+ 10.7
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	4,793	+ 21.6	16,901	+ 15.2
TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS	3,235	+ 7.4	11,107	+ 4.9
GENERAL INDUSTRIAL MACHINERY AND EQUIPMENT, AND MACHINE PARTS	3,200	+ 20.0	10,423	+ 9.5

TABLE 3 : DOMESTIC EXPORTS TO TEN MAIN DESTINATIONS

DESTINATION	APR 1996 (HKD Mn.)	APR 96 OVER APR 95 (% CHANGE)	JAN-APR 1996 (HKD Mn.)	JAN-APR 96 OVER JAN-APR 95 (% CHANGE)
CHINA	5,624	+ 9.3	18,806	- 0.2
UNITED STATES	3,984	- 4.9	15,022	- 8.4
JAPAN	1,007	+ 20.6	3,812	- 2.3
SINGAPORE	899	- 6.1	3,673	- 9.9
GERMANY	762	+ 4.6	3,182	- 4.1
UNITED KINGDOM	713	+ 9.6	3,032	+ 5.3
TAIWAN	625	- 3.7	2,433	+ 6.2
NETHERLANDS	283	- 5.6	1,399	- 4.0
CANADA	256	- 3.7	1,167	- 4.1
FRANCE	199	- 11.6	892	- 2.3

TABLE 4 : DOMESTIC EXPORTS OF TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	APR 1996 (HKD Mn.)	APR 96 OVER APR 95 (% CHANGE)	JAN-APR 1996 (HKD Mn.)	JAN-APR 96 OVER JAN-APR 95 (% CHANGE)
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	4,366	- 2.6	17,778	- 4.5
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	2,709	+ 16.0	10,570	+ 18.2
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY JEWELLERY, GOLDSMITHS' AND SILVERSMITHS' WARES)	1,511	- 0.6	5,503	- 7.8
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	1,365	+ 1.6	4,940	- 5.2
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	1,216	- 16.1	4,603	- 28.6
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	1,256	+ 4.1	4,329	- 1.1
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	714	- 3.8	2,738	- 18.5
MANUFACTURES OF METALS	359	+ 12.1	1,352	- 1.9
PLASTICS IN PRIMARY FORMS	430	+ 6.9	1,329	- 11.0
MACHINERY SPECIALIZED FOR PARTICULAR INDUSTRIES	298	+ 5.1	1,065	+ 18.7

TABLE 5 : IMPORTS FROM TEN MAIN SUPPLIERS

SUPPLIER	APR 1996 (HKD Mn.)	APR 96 OVER APR 95 (% CHANGE)	JAN-APR 1996 (HKD Mn.)	JAN-APR 96 OVER JAN-APR 95 (% CHANGE)
CHINA	46,208	+ 12.1	166,770	+ 6.5
JAPAN	19,049	- 4.2	68,627	- 3.6
TAIWAN	11,221	+ 4.0	39,826	+ 1.9
UNITED STATES	10,491	+ 15.4	37,944	+ 14.9
SINGAPORE	7,408	+ 14.2	27,421	+ 13.7
SOUTH KOREA	7,140	+ 14.7	24,291	+ 6.3
GERMANY	2,959	+ 7.7	11,126	+ 10.6
MALAYSIA	3,148	+ 24.6	11,115	+ 29.6
UNITED KINGDOM	2,810	+ 26.3	10,518	+ 20.6
ITALY	2,566	+ 17.6	9,957	+ 24.0

TABLE 6 : IMPORTS OF TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	APR 1996 (HKD Mn.)	APR 96 OVER APR 95 (% CHANGE)	JAN-APR 1996 (HKD Mn.)	JAN-APR 96 OVER JAN-APR 95 (% CHANGE)
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	16,380	+ 16.3	62,121	+ 16.0
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	12,416	+ 16.8	45,817	+ 4.2
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	12,613	+ 6.0	40,778	- 3.5
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS)	8,572	+ 8.9	30,089	+ 5.8
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	7,661	+ 5.5	29,351	+ 6.6
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	6,648	+ 6.6	24,162	+ 21.9
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	5,466	+ 5.1	20,183	+ 2.5
FOOTWEAR	4,221	+ 2.3	17,749	+ 6.5
GENERAL INDUSTRIAL MACHINERY AND EQUIPMENT, AND MACHINE PARTS	5,016	+ 10.7	16,593	+ 11.2
NON-METALLIC MINERAL MANUFACTURES	3,555	+ 4.2	14,095	+ 0.2

End

Dialogue to explore possible changes in Hong Kong Telecom

\* \* \* \* \*

The Government and Hong Kong Telecom International (HKTI) are entering into a dialogue on the territory's international telecommunications sector.

A statement on the HKTI licence has been released by the Telecommunications Authority on April 23 to clarify the exclusivity held by HKTI under its licence which runs to September 30, 2006.

However, there are broader matters to consider.

The international telecommunications market is developing rapidly; this can be seen in the accelerated liberalisation of telecommunications around the world, the emergence of global alliances of telecom carriers and the increasing attention being given to telecommunications trade issues by the World Trade Organisation.

Furthermore, technological advance in telecommunications is continuing. Both these matters have led the Government and HKTI to agree to a dialogue on the existing arrangements for Hong Kong's international telecommunications sector and whether these are best suited to the continued development of the Government's policy objective of maintaining the territory as the pre-eminent telecommunications hub in the Asia-Pacific region.

A government spokesman said the Administration fully appreciates its obligations to HKTI concerning the boundaries that were developed in the 1981 licence and reaffirmed in the Telecommunication Authority's Statement of April 23. The Government has said it would only proceed in a further review of the HKTI licence with concurrence on the part of HKTI.

The aim of the dialogue was to explore what changes may be made to the existing arrangements, said the spokesman.

As the dialogue was just about to begin, it was too early to comment on whether any changes might be negotiated and jointly agreed, and whether such changes would require the negotiation of amendments to HKTI's licence, the spokesman added.

End

Majority satisfied with civil servants' working attitude

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A public opinion survey conducted in May by the Home Affairs Branch (HAB) has shown that 58 per cent of the respondents felt that the working attitude of civil servants were good.

Releasing the latest findings of the bimonthly survey, an HAB spokesman said the figure represented an increase of four percentage points from 54 per cent in March.

Only a quarter of the respondents thought otherwise, down from 28 per cent.

As to the overall performance of the Government, 51 per cent said they were satisfied, about the same as the 52 per cent recorded in the last poll.

The percentage of people who felt the Government was concerned about their views on public affairs remained at 55 per cent.

Of the three most often mentioned problems facing the territory, labour-related issues, although still topping the list, had dropped from 40 per cent to 35 per cent. Sixty-three per cent of the respondents, up from 59 per cent, thought the Government had exerted effort in solving the problem.

Housing-related problems took second place at 32 per cent while the issue on Hong Kong's future was third at 26 per cent. The corresponding figures in March were 28 and 22 per cent respectively.

The survey was the 64th in the series to gauge the trend of public opinion on perceived problems in Hong Kong, Government's overall performance and the community's views of the general situation.

Through a random sampling of residential telephone numbers, 1,524 persons aged between 15 and 64 were interviewed.

End

### Appointment to Hong Kong Arts Development Council

\* \* \* \* \*

The Government announced today (Tuesday) that Sir Joseph Hotung would resign from the Chairmanship of the Hong Kong Arts Development Council (ADC) with effect from July 1. Sir Joseph will be replaced by Mr Vincent Chow Wing-shing, the current Vice-Chairman of the Council.

Commenting on Sir Joseph's resignation, the Governor, the Rt Hon Christopher Patten, said he was sorry to see Sir Joseph's departure from the Council but understood that he had to do so because of his personal commitments.

He was grateful to Sir Joseph for his guidance and leadership which transformed the Council over the past two and a half years from a Working Group, to a statutory body with its own Ordinance, he said.

A spokesman for the Broadcasting, Culture and Sport Branch said that Mr Chow was a member of the Urban Council from June 1, 1991, to March 31, 1995, and was the Chairman of the Chung Ying Theatre Company until recently.

He is a member of the General Committee of the Hong Kong Philharmonic Society and a member of the Council of the Hong Kong Academy for Performing Arts.

Mr Darwin Chen, a member of ADC, will replace Mr Vincent Chow as Vice Chairman. A new member, Mrs Elim Pong Lau, will be appointed to fill the vacancy left by Mr Chen.

The three appointments will take effect from July 1 and last until December 31 next year.

End

### Asia maritime administrations forum held in Hong Kong

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Maritime administrators from seven Asian countries together with Hong Kong representative are attending the Second Asian Shipping Forum in Hong Kong today (Tuesday).

The forum, following the first one held in Tokyo, Japan, last year, is to update each of the delegations on shipping policy development and to review such development in the United States and European Union and its effects on the participating countries and territories.

Issues of common interests in the region including safety at sea and protection of marine environment were also discussed.

Taking part in the forum, which was chaired by the Director of Marine Hong Kong, Mr Ian Dale, are representatives from China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Singapore and Thailand.

The delegates, all senior officials of their countries maritime authorities, had a full day of discussion today after a brief opening ceremony by the Secretary for Economic Services of the Hong Kong Government, Mr Gordon Siu.

At the business session today, each delegate presented their report on the latest developments and the Deputy Director General of the Maritime Transport Bureau of the Japan's Ministry of Transport, Mr Toshiaki Omori, presented a paper entitled Shipping Policy Development in the United States and European Union and the effect on the participating countries and territories.

The delegates will tour the major port facilities in Hong Kong including a visit to the Hongkong International Terminals at Kwai Chung tomorrow.

The next meeting will be held in Seoul, Korea, in 1997.

End

#### World Customs Organisation Conference meets in Hong Kong

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The Secretary for the Treasury, Mr K C Kwong, this (Tuesday) morning officiated at the opening ceremony of the Policy Commission Meeting of the 1996 World Customs Organisation (WCO) Conference at the Hong Kong Convention and Exhibition Centre.

The 1996 World Customs Organisation Conference comprising the Policy Commission Meeting and the Council Meeting will be held between June 11 and 20.

The conference, which is co-sponsored by the Hong Kong Customs and Excise Department, will be attended by more than 300 delegates of the 140 member countries and territories of WCO and various international bodies. Today's Policy Commission Meeting will last until Friday (June 14). The Council meeting will commence on Monday (June 17) until Thursday (June 20).

WCO is an independent inter-governmental organisation whose mission is to secure, through co-operation between governments, the highest degree of harmony and uniformity in all customs systems world-wide, in the interest of international trade. It was established in Brussels in 1953 under the official name of Customs Co-operation Council. At present, WCO has 140 member countries and territories all over the world.

The Council meets once a year in June, usually in Brussels but once in three years and exceptionally the meetings are held outside Brussels. The delegates to the Council are normally the heads of national customs administrations.

The Council is assisted by the Policy Commission (consisting of 25 members) which meets twice a year. As its name indicates, the Policy Commission considers and advises the Council on important policy matters and acts as a dynamic steering group within the Council.

Hong Kong attained membership with WCO in 1987. Since then, Hong Kong has participated actively in WCO activities. The territory will continue to be a separate customs territory and a full member of the organisation beyond 1997.

End

#### Restricted banking licence to Pacific Finance granted

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The Pacific Finance (Hong Kong) Limited (PFHK) has been granted a restricted banking licence on June 1 by the Hong Kong Monetary Authority (HKMA) under the Banking Ordinance, a spokesman of HKMA said today (Tuesday).

PFHK, which has a paid-up share capital of \$300 million, has been operating as a money lender in Hong Kong since July last year. It is equally owned by Jardine, Matheson and Co Ltd and Jardine Fleming Bank Ltd.

After granting a licence to PFHK, the number of restricted licence banks in Hong Kong has increased to 63.

End

Man fined \$150,000 for possessing musk grain

\* \* \* \* \*

A traditional Chinese medicine shop operator was this (Tuesday) morning fined a total of \$150,000 by Western Magistracy for possessing a large quantity of musk grain and pod.

The 37-year-old defendant pleaded guilty for possessing some 115 kilogram of musk grain and pod without licence late last year. The goods were estimated to be valued over \$12 million.

Commenting on the sentence, an Agriculture and Fisheries Department (AFD) spokesman said heavy fines had been imposed for offences under the Animals and Plants (Protection of Endangered Species) Ordinance by the courts lately.

The spokesman hoped the heavier penalties would serve a more deterrent effect on similar offences.

The offence came to light last November when AFD officers raided a shop in Des Voeux Road West, Sai Ying Pun, after being tipped off. Upon search, about 115 kilograms of musk grain and pod - the largest single seizure of this endangered species - were found.

The spokesman said although the musk concerned could not be confirmed to be originated from a highly endangered musk deer species, it would still make the offender liable to a maximum penalty of \$500,000 fine and one year's imprisonment upon conviction.

In the case of a highly endangered species used for commercial purpose, the maximum penalty is a \$5 million fine plus two years in jail. Endangered species included live specimens, their parts, derivatives and medicines containing or claiming to contain tiger and rhino ingredients.

The spokesman took the opportunity to remind traders of traditional medicine and other members of the community that it was a serious offence to import, export and possess endangered species without an AFD licence.

He also urged the public to report any illegal activities on endangered species to AFD by calling 2733 2144.

End

To encourage more participation and to widen the scope of the festival, the Wan Chai Festival Organising Committee (1997) has sent out invitations to more than 800 local organisations, calling for activities to be organised in support of the festival.

Scheduled for January 4 to 31 next year, the 1997 Wan Chai Festival is the fifth to be staged and will have a \$3 million budget. In the last festival held in 1992, the opening day alone attracted more than 12,000 people. This year's opening is expected to attract more residents and will be broadcast live by the Television Broadcasts Ltd who will assist in the production.

End

Hong Kong Monetary Authority tender results

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Tender date	11 Jun 1996	11 Jun 1996
Paper on offer	EF bills	EF bills
Issue number	Q624	Y690
Issue date	12 Jun 1996	11 Jun 1996
Maturity date	11 Sept 1996	11 Jun 1997
Coupon	-	-
Amount applied	HK\$7,980 MN	HK\$1,390 MN
Amount allotted	HK\$1,500 MN	HK\$500 MN
Average yield accepted	5.28 PCT	5.84 PCT
Highest yield accepted	5.28 PCT	5.85 PCT
Pro rata ratio	About 30 PCT	About 17 PCT
Average tender yield	5.29 PCT	5.86 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning 17 Jun 1996

Tender date	18 Jun 1996	18 Jun 1996
Paper on offer	EF bills	EF bills
Issue number	Q625	H667
Issue date	19 Jun 1996	19 Jun 1996
Maturity date	18 Sept 1996	18 Dec 1996
Tenor	91 days	182 days
Amount on offer	HK\$1,500+300MN	HK\$800+160MN

End

Hong Kong Monetary Authority money market operations

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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,860	0930	+99
Closing balance in the account	1,878	1000	+99
Change attributable to :		1100	+99
Money market activity	+98	1200	+98
LAF today	-80	1500	+98
		1600	+98

LAF rate 4.00% bid/6.00% offer TWI 124.4 \*-0.1\* 11.6.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.09	2 years	2805	6.30	99.82	6.50
1 month	5.13	3 years	3904	6.30	98.80	6.88
3 months	5.27	5 years	5106	7.23	99.37	7.52
6 months	5.47	7 years	7305	7.60	99.38	7.86
12 months	5.80	5 years	M502	7.30	99.13	7.67

Total turnover of EF bills and notes - \$20,497 million

Closed June 11, 1996

End