



DAILY INFORMATION BULLETIN

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MONDAY, NOVEMBER 8, 1993

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MONDAY, NOVEMBER 8, 1993

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TRIBUTE TO ALL CONCERNED OVER WATER SUSPENSION

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THE DEPUTY TO THE GOVERNOR, SIR DAVID FORD, THIS (MONDAY) AFTERNOON PAID TRIBUTE TO THE PEOPLE IN TUEN MUN AND ON CHEUNG CHAU AFFECTED BY THE SUSPENSION OF WATER SUPPLY FOR THEIR COMMUNITY SPIRIT AND ALL THE GOVERNMENT DEPARTMENTS INVOLVED FOR CONDUCTING THEIR OPERATIONS SO SMOOTHLY.

SPEAKING TO REPORTERS AFTER VISITING TUEN MUN AND CHEUNG CHAU TO SEE THE PROGRESS OF THE REPAIR WORK THERE, SIR DAVID SAID: "I AM REALLY PLEASED THAT TOMORROW THERE WILL BE WATER SUPPLY RETURNED TO TUEN MUN AND HOPEFULLY THIS PROBLEM WILL THEN BE DEALT WITH."

"CLEARLY WE'VE GOT TO LOOK INTO WHAT HAPPENED," SIR DAVID SAID.

"WE'VE STILL GOT TO GET TO THE ROOT CAUSE OF THE PROBLEM AND MAKE SURE IT DOESN'T HAPPEN AGAIN AND THE ENQUIRY THAT WE'VE PUT IN HAND NOW, WILL DO THAT AS SOON AS WE POSSIBLY CAN.

"WE'LL MAKE SURE THAT WHATEVER ARRANGEMENTS ARE NEEDED WILL BE PUT IN PLACE."

RESPONDING TO A SUGGESTION TO SET UP A SPECIAL EMERGENCY CENTRE TO DEAL WITH NATURAL DISASTERS, SIR DAVID SAID: "WE HAVE THE CNTA AND THE DISTRICT OFFICES SCHEME IS DESIGNED TO DO JUST THIS TO CO-ORDINATE THE EFFORTS OF A NUMBER OF GOVERNMENT DEPARTMENTS AND THAT'S WHAT HAPPENED IN THIS CASE.

"THE CNTA IMMEDIATELY MOBILISED THEMSELVES. WE HAD THE DISTRICT OFFICERS WORKING VERY LONG HOURS. THEY HAD AN EMERGENCY CONTROL CENTRE. THEY HAVE WORKED EXTREMELY WELL IN DOING JUST THE JOB THEY WERE SET UP TO DO.

"SO I DON'T THINK WE NEED TO DEVISE ANY FUTURE ORGANISATION."

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WATER SUPPLY TO TUEN MUN RESUMES TOMORROW

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FRESH WATER SUPPLY TO TUEN MUN WILL BE BACK TO NORMAL TOMORROW (TUESDAY) MORNING, STARTING AT 6 AM, THE DIRECTOR OF WATER SUPPLIES, MR HU MAN-SHIU, ANNOUNCED TONIGHT.

MAKING THE ANNOUNCEMENT, HE THANKED THOSE MEMBERS OF HIS STAFF, WHO HAVE WORKED LONG HOURS, FOR THEIR DEVOTION IN RESTORING FULL SUPPLY IN THE SHORTEST POSSIBLE TIME.

"THE NATURE AND SERIOUSNESS OF THE WATER INTERRUPTION IS SOMETHING THAT WE HAVE NEVER EXPERIENCED BEFORE. BUT WITH THIS CONCERTED EFFORT, WE HAVE MANAGED TO RESOLVE THE PROBLEM MUCH EARLIER THAN WE EXPECTED," HE SAID.

MEANWHILE, WATER TANKERS WILL CONTINUE TO PROVIDE EMERGENCY SUPPLY IN TUEN MUN UNTIL NORMAL SUPPLY RESUMES TOMORROW MORNING.

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ROLE OF HK MONETARY AUTHORITY SPELT OUT

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THE MAINTENANCE OF THE STABILITY OF THE HONG KONG DOLLAR CURRENCY, IN TERMS OF ITS EXCHANGE RATE WITH THE U.S. DOLLAR, IS CLEAR AND FIRM GOVERNMENT POLICY, THE CHIEF EXECUTIVE OF THE HONG KONG MONETARY AUTHORITY (HKMA), MR JOSEPH YAM, SAID TODAY (MONDAY).

SPEAKING AT THE 12TH GRADUATION CEREMONY OF THE HANG SENG SCHOOL OF COMMERCE, HE SAID IT WAS THE RESPONSIBILITY OF THE HKMA TO ACHIEVE THIS OBJECTIVE OF CURRENCY STABILITY.

THE LINKED EXCHANGE RATE SYSTEM, HE SAID, HAD SERVED HONG KONG VERY WELL SINCE ITS ESTABLISHMENT IN OCTOBER 1983.

HE SAID THERE WERE OTHER MEASURES PUT TOGETHER SINCE THEN TO STRENGTHEN THE ABILITY TO MAINTAIN CURRENCY STABILITY.

"BASICALLY THESE MEASURES AIMED AT PUTTING OURSELVES IN A POSITION EFFECTIVELY TO INFLUENCE THE SUPPLY AND THE PRICE OF MONEY OR MORE PRECISELY WHAT WE CALLED INTERBANK LIQUIDITY."

THERE WAS QUITE A LOT OF TECHNICAL WORK INVOLVED REQUIRING PROFESSIONAL PEOPLE FAMILIAR WITH MONEY AND MONEY MARKETS AND IT WAS FOR THE PURPOSE OF GETTING THE NECESSARY SKILLS TO PERFORM THIS WORK THAT THE HKMA WAS ESTABLISHED, HE ADDED.

ANOTHER AREA OF WORK FOR THE HKMA, MR YAM SAID, WAS TO ENSURE THAT MONEY WAS AN EFFICIENT AND RELIABLE MEDIUM OF EXCHANGE.

"MONEY, NOT ONLY IN THE FORM OF BANK NOTES BUT ALSO IN THE FORM OF CHEQUES AND DIRECT TRANSFERS USING ELECTRONICS AND TELEGRAPHIC MEANS, IS USED FOR PAYMENTS EVERY SECOND OF THE DAY, AND THERE ARE MILLIONS AND MILLIONS OF TRANSACTIONS EVERY DAY," HE NOTED.

IN THIS AREA OF WORK HONG KONG HAD BEEN VERY WELL SERVED BY THE MANAGEMENT BANK OF THE CLEARING HOUSE OF THE HONG KONG ASSOCIATION OF BANKS AND OTHER SETTLEMENT BANKS, HE SAID.

"WE HAVE EFFICIENT AND RELIABLE PAYMENT SYSTEMS. BUT IN A PERIOD OF FINANCIAL INNOVATION THERE IS A NEED TO ENSURE THAT THIS CONTINUES TO BE THE CASE.

"THE RISKS, IF ANY, IN THE PAYMENT SYSTEMS NEED TO BE IDENTIFIED AND PROPERLY MANAGED.

"THIS IS A PRIORITY AREA OF WORK FOR THE HONG KONG MONETARY AUTHORITY, IN CONSULTATION WITH THE BANKING COMMUNITY," HE SAID. "IT IS LIKELY THAT WE MAY IN TIME COME UP WITH PROPOSALS FOR REFINING THE SYSTEMS."

ANOTHER IMPORTANT AREA OF WORK FOR THE HKMA, MR YAM SAID, WAS BANKING SUPERVISION.

THERE ARE MANY BANKS IN HONG KONG, A TOTAL OF 170 LICENSED BANKS AND 316 IF REPRESENTATIVE OFFICES OF FOREIGN BANKS ARE INCLUDED.

"THIS PUTS US ONLY BEHIND LONDON AND NEW YORK. OUT OF THE LARGEST 100 BANKS IN THE WORLD, 79 ARE PRESENT IN HONG KONG," HE SAID, NOTING THAT BANKS IN HONG KONG WERE SUPERVISED IN ACCORDANCE WITH INTERNATIONALLY ACCEPTED STANDARDS.

"APART FROM THESE AREAS OF RESPONSIBILITY CONCERNING THE ROLES OF MONEY, THE HONG KONG MONETARY AUTHORITY IS ALSO RESPONSIBLE FOR THE MANAGEMENT OF HONG KONG'S RESERVES IN THE FORM OF THE EXCHANGE FUND," HE SAID.

THE EXCHANGE FUND AMOUNTED TO HK\$287 BILLION AT THE END OF 1992.

"IN MANAGING THE EXCHANGE FUND, WE AIM FIRST OF ALL TO MAKE SURE THAT THERE IS ENOUGH MONEY IN LIQUID FORM FOR USE, WHEN THERE IS A NEED, TO ENSURE EXCHANGE RATE STABILITY.

"WE THEN TRY AND EARN MORE FOR THE EXCHANGE FUND BY INVESTING THE MONEY PRUDENTLY WHILE NOT TAKING EXCESSIVE RISKS FOR A FUND OF THIS NATURE," MR YAM SAID.

THE HKMA WAS ALSO RESPONSIBLE, ALONG WITH OTHER GOVERNMENT DEPARTMENTS, TO PROMOTE HONG KONG'S DEVELOPMENT AS AN INTERNATIONAL FINANCIAL CENTRE, HE SAID.

HE NOTED THAT THIS RESPONSIBILITY WAS, IN A WAY, A COMBINATION OF ALL OF THE OTHER RESPONSIBILITIES WHICH HE HAD EARLIER MENTIONED.

"FOR HONG KONG TO RETAIN ITS STATUS AS AN INTERNATIONAL FINANCIAL CENTRE, AND AS FAR AS MONETARY MATTERS ARE CONCERNED, WE MUST HAVE A CURRENCY THAT IS STABLE, A BANKING SYSTEM THAT IS SAFE, PAYMENT SYSTEMS THAT ARE RELIABLE AND A STRONG LEVEL OF RESERVES THAT IS PRUDENTLY MANAGED," HE SAID.

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500 ECVIIS TO RETURN TO HAINAN
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A GOVERNMENT SPOKESMAN TODAY (MONDAY) ANNOUNCED THAT AGREEMENT HAD BEEN REACHED WITH THE CHINESE AUTHORITIES ON THE RETURN OF MORE THAN 500 EX-CHINA VIETNAMESE ILLEGAL IMMIGRANTS (ECVIIS) TO HAINAN BY AIR ON FOUR CONSECUTIVE DAYS STARTING TOMORROW (TUESDAY).

THERE WILL BE TWO REPATRIATION FLIGHTS EACH DAY.

THE SPOKESMAN SAID DISCUSSIONS WERE CONTINUING WITH THE CHINESE AUTHORITIES ON THE RETURN OF THE REMAINING 1,400 ECVIIS IN HONG KONG.

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GDP FOR SECOND QUARTER
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HONG KONG'S GROSS DOMESTIC PRODUCT (GDP) GREW BY 5.1% IN REAL TERMS IN THE SECOND QUARTER OVER THE SAME QUARTER LAST YEAR, ACCORDING TO THE PRELIMINARY ESTIMATES RELEASED BY THE CENSUS AND STATISTICS DEPARTMENT TODAY (MONDAY).

AMONG THE MAIN COMPONENTS OF THE GDP ESTIMATES, PRIVATE CONSUMPTION EXPENDITURE GREW BY 9.1% IN REAL TERMS IN THE SECOND QUARTER OF 1993 OVER THE SAME QUARTER IN 1992.

/UNDERLYING THIS

UNDERLYING THIS GROWTH WAS A SIGNIFICANT INCREASE IN EXPENDITURE ON BOTH CONSUMER DURABLE AND NON-DURABLE GOODS.

ON THE SAME BASIS OF COMPARISON, GOVERNMENT CONSUMPTION EXPENDITURE (DEFINED IN NATIONAL ACCOUNTS TERMS) GREW BY 3.9% IN REAL TERMS.

GROSS DOMESTIC FIXED CAPITAL FORMATION GREW BY 8.8% IN REAL TERMS IN THE SECOND QUARTER OF 1993 OVER THE SAME QUARTER IN 1992.

WITHIN THIS COMPONENT, EXPENDITURE ON MACHINERY AND EQUIPMENT CONTINUED TO GROW SIGNIFICANTLY, BY 15.1% IN REAL TERMS.

EXPENDITURE ON CONSTRUCTION ALSO RECORDED A SUBSTANTIAL GROWTH OF 14.8% IN THE SECOND QUARTER, MAINLY DUE TO A FURTHER PICK-UP IN PUBLIC SECTOR CONSTRUCTION ACTIVITY.

EXTERNAL TRADE CONTINUED TO SHOW NOTABLE GROWTH IN THE SECOND QUARTER OF 1993, ALBEIT AT A LESS RAPID PACE THAN IN THE PREVIOUS QUARTER.

TOTAL EXPORTS OF GOODS REGISTERED A YEAR-ON-YEAR GROWTH RATE OF 11.5% IN REAL TERMS.

OF THESE, RE-EXPORTS GREW BY 18.6%, WHILE DOMESTIC EXPORTS DECLINED BY 7.0%. THE CORRESPONDING GROWTH RATE FOR IMPORTS OF GOODS WAS 12.0%.

AS REGARDS EXPORTS OF SERVICES, THE GROWTH RATE IN REAL TERMS WAS 7.0% OVER A YEAR EARLIER. THE CORRESPONDING GROWTH RATE FOR IMPORTS OF SERVICES WAS 7.3%.

THE IMPLICIT PRICE DEFLATOR OF GDP, AS A BROAD MEASURE OF OVERALL INFLATION IN THE ECONOMY, ROSE BY 9.4% IN THE SECOND QUARTER OF 1993 OVER THE SAME QUARTER IN 1992, FOLLOWING AN INCREASE OF 9.5% IN THE FIRST QUARTER.

ACCORDING TO THE REVISED (NOVEMBER 93) ESTIMATES, THE YEAR-ON-YEAR GROWTH RATE OF GDP IN REAL TERMS FOR THE FIRST QUARTER OF 1993 WAS REVISED SLIGHTLY UPWARDS, FROM 5.3% TO 5.4%.

BASED ON THE LATEST GDP ESTIMATES FOR THE FIRST AND SECOND QUARTERS OF 1993, GDP GREW BY 5.3% IN REAL TERMS IN THE FIRST HALF OF 1993 OVER THE SAME PERIOD LAST YEAR.

THE LATEST QUARTERLY ESTIMATES OF GDP FROM THE FIRST QUARTER OF 1991 TO THE SECOND QUARTER OF 1993 ARE PUBLISHED IN A REPORT ENTITLED "QUARTERLY ESTIMATES OF GROSS DOMESTIC PRODUCT, 2ND QUARTER 1993".

THE REPORT IS NOW ON SALE AT \$4.5 A COPY AT THE GOVERNMENT PUBLICATIONS CENTRE, HONG KONG; AND AT THE PUBLICATIONS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER, 12 HARBOUR ROAD, WAN CHAI.

ENQUIRIES MAY BE DIRECTED TO THE NATIONAL INCOME BRANCH OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL 582 5077.

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Table 1 Expenditure-based GDP Estimates
first quarter of 1991 to second quarter of 1993

<u>Year/quarter</u>	<u>GDP at Current Market Prices</u>		<u>GDP at Constant (1980) Market Prices</u>	
	<u>HK\$ Mn</u>	<u>% change over same period of the preceding year</u>	<u>HK\$ Mn</u>	<u>% change over same period of the preceding year</u>
1991	643,382	15.1	273,524	4.1
1992	747,432	16.2	287,941	5.3
1991 Q1	139,795	13.8	61,580	4.0
Q2	152,099	14.8	64,364	3.8
Q3	172,648	15.3	73,370	3.9
Q4	178,840	16.4	74,210	4.7
1992 Q1	164,164	17.4	64,795	5.2
Q2	176,807	16.2	67,637	5.1
Q3	199,464	15.5	77,580	5.7
Q4	206,997	15.7	77,929	5.0
1993 Q1	189,508	15.4	68,324	5.4
Q2	203,148	14.9	71,067	5.1

Table 2 Expenditure-based GDP Estimates
Quarterly Year-on-year Growth Rates, first quarter of 1992 to second quarter of 1993

Expenditure Components of GDP	% change over same period of the preceding year													
	At current market prices							At constant (1980) market prices						
	1992					1993		1992					1993	
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q1	Q2	Q3	Q4	Annual	Q1	Q2
Private consumption expenditure	17.3	15.3	17.2	15.6	16.3	16.2	17.1	9.0	7.9	9.4	7.7	8.5	8.6	9.1
Government consumption expenditure	16.0	18.0	19.9	17.4	17.8	10.0	13.5	6.5	7.9	9.2	6.4	7.5	-0.3	3.9
Gross domestic fixed capital formation	14.4	18.9	19.3	13.4	16.5	10.4	11.6	7.5	10.6	11.7	9.6	9.9	7.3	8.8
of which : Construction	3.6	-2.7	-0.6	8.1	2.2	9.1	15.4	1.2	-5.9	-2.5	6.1	-0.1	6.9	14.8
Machinery and equipment	11.6	24.8	32.8	29.7	25.5	21.9	20.2	11.2	22.3	28.2	27.4	23.0	19.3	15.1
Total exports of goods	23.2	23.0	20.0	17.9	20.8	18.4	12.4	20.8	21.5	18.3	16.8	19.2	18.8	11.5
Imports of goods	21.6	24.4	21.9	22.2	22.6	17.7	11.8	21.9	23.9	20.7	22.9	22.3	19.5	12.0
Exports of services	15.4	22.1	15.3	19.2	18.1	16.7	13.8	10.2	13.8	7.3	10.0	10.3	10.1	7.0
Imports of services	10.0	10.6	16.0	8.9	11.4	6.7	8.2	7.7	5.6	8.3	4.2	6.4	8.9	7.3
Gross Domestic Product	17.4	16.2	15.5	15.7	16.2	15.4	14.9	5.2	5.1	5.7	5.0	5.3	5.4	5.1

HK'S INFRASTRUCTURE ESSENTIAL TO ITS FUTURE SUCCESS

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THE GOVERNMENT IS BUSY BUILDING FOR HONG KONG'S FUTURE BY PUTTING IN PLACE ALL ESSENTIAL INFRASTRUCTURE TO ENSURE THAT IT CAN CONTINUE TO PLAY AN IMPORTANT ROLE IN CHINA'S FUTURE ECONOMIC DEVELOPMENT.

THIS WAS STATED BY THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, WHEN HE OPENED A CONFERENCE ON THE FUTURE ROLE OF HONG KONG TO CHINESE CITIES AND CHINA'S DEVELOPMENT TODAY (MONDAY).

HE SAID: "THE ASIA-PACIFIC REGION HAS NOW BECOME AND WILL CONTINUE TO BE THE FASTEST ECONOMIC GROWTH AREA. IT IS A COMMONLY HELD VIEW THAT CHINA COULD BE ONE OF THE LEADING ECONOMIC NATIONS BY THE MIDDLE OF THE NEXT CENTURY OR EVEN EARLIER."

"BY THEN, HONG KONG COULD BE THE MOST PROSPEROUS CHINESE CITY; AN AMALGAM OF NEW YORK, LONDON, AMSTERDAM AND VENICE AT THE HEIGHT OF THEIR TRADING POWERS; PERHAPS RICHER THAN ANY CITY ON EARTH HAS EVER BEEN BEFORE."

MR EASON SAID HONG KONG PEOPLE MUST BE EQUIPPED TO MEET THE CHALLENGES OF TOMORROW.

"OUR PLANS FOR THE NEW AIRPORT, THE CONTAINER PORT AND KEY TRANSPORT PROJECTS AS WELL AS OUR ENORMOUS INVESTMENTS IN HUMAN RESOURCES THROUGH EDUCATION, AND OTHER SOCIAL PROGRAMMES ARE IN CHINA'S AS MUCH AS HONG KONG'S INTEREST."

HE SAID IT WAS HIS BELIEF THAT THE FUNDAMENTAL CONSTANTS WHICH HAVE MADE HONG KONG TICK UP UNTIL NOW WOULD SHAPE ITS FUTURE BEYOND 1997 AND IT CAN CONTINUE ITS SUCCESS BY PLAYING AN IMPORTANT ROLE IN FURTHERING CHINA'S DEVELOPMENT IN THE NEXT CENTURY.

"HONG KONG HAS AN INSEPARABLE RELATIONSHIP WITH CHINA IN THE LONG RUN, AND ITS CONTINUED SUCCESS, TO A GREAT EXTENT, DEPENDS ON CHINA.

"THE BROAD DIRECTION OF CHINA'S DEVELOPMENT NOW SEEMS IRREVERSIBLE. HENCE, MY FIRM BELIEF IN HONG KONG'S CONTINUED SUCCESS," HE SAID.

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GOVERNMENT PRINTER ATTAINS OUTSTANDING STANDARDS

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THE PRINTING DEPARTMENT HAS RECENTLY OBTAINED ISO 9002 CERTIFICATION, THE FIRST FOR A GOVERNMENT DEPARTMENT AND FOR THE PRINTING INDUSTRY IN HONG KONG, THE FINANCIAL SECRETARY, MR HAMISH MACLEOD, SAID TODAY (MONDAY).

OFFICIATING AT THE OPENING CEREMONY OF THE THIRD CONFERENCE OF THE INTERNATIONAL GOVERNMENT PRINTERS' ASSOCIATION, HE SAID EVERY GOVERNMENT RELIED ON THE PRINTED WORD TO COMMUNICATE ITS MESSAGES, DECISIONS AND LAWS WHICH WAS THE MOST RELIABLE AND ACCURATE WAY OF GOING ABOUT ITS BUSINESS.

THIS INFORMATION MUST ALSO BE PRODUCED ON TIME AND SOME OF THE MATERIALS MUST BE PRINTED UNDER THE HIGHEST SECURITY, HE ADDED.

"FOR THESE REASONS, MANY GOVERNMENTS AROUND THE WORLD HAVE ESTABLISHED THEIR OWN PRINTING SERVICES TO ENSURE THESE IMPORTANT OBJECTIVES ARE MET," HE SAID.

IN HONG KONG, HE SAID, THE GOVERNMENT PRINTER WAS RESPONSIBLE FOR HANDLING THE CORE PRINTING SERVICE, INCLUDING THE BUDGET SPEECH, TRAVEL DOCUMENTS AND IDENTITY CARDS.

HE NOTED THAT THE HONG KONG GOVERNMENT PRINTING DEPARTMENT WAS ONE OF THE LARGEST PRINTING ESTABLISHMENTS IN THE TERRITORY.

IN TERMS OF PRODUCTIVITY, THE DEPARTMENT HANDLED OVER 95 PER CENT OF THE TOTAL DEMAND WITHIN GOVERNMENT, MR MACLEOD SAID, ADDING THAT THE DEPARTMENT'S OUTPUT HAD MORE THAN DOUBLED OVER THE PAST 10 YEARS AND THE PRODUCTIVITY PER EMPLOYEE ALSO HAD DOUBLED OVER THE SAME PERIOD.

HE ALSO SAID DURING THE TRANSITIONAL PERIOD IN THE RUN UP TO 1997, THE GOVERNMENT OF HONG KONG WAS BECOMING MORE TRANSPARENT AND ACCOUNTABLE IN ITS ACTION.

VAST AMOUNTS OF INFORMATION HAD TO BE COMMUNICATED BETWEEN GOVERNMENT AND THE COMMUNITY AND THIS MUST BE SUPPORTED BY AN ACCURATE AND RELIABLE PRINTING SERVICE, HE ADDED.

HE HOPED THAT PARTICIPANTS OF THIS CONFERENCE WOULD BE ABLE TO SHARE EXPERIENCES AND IDEAS TO FURTHER IMPROVE THIS IMPORTANT ASPECT OF GOVERNMENT SERVICE.

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SECOND CANDIDATE NOMINATED FOR DISTRICT BOARD BY-ELECTION
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A SECOND NOMINATION FOR THE SHA TIN DISTRICT BOARD'S WONG UK CONSTITUENCY BY-ELECTION WAS RECEIVED TODAY (MONDAY).

THE NOMINATION PERIOD WILL END ON NOVEMBER 15. THE BY-ELECTION WILL BE HELD ON DECEMBER 5.

FOLLOWING ARE PERSONAL PARTICULARS OF THE CANDIDATE:

NAME	AGE	OCCUPATION	CONTACT TEL NO.
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MR LEUNG CHI-WAI	40	PROPERTY MANAGEMENT EXECUTIVE	691 0228 116 3377 A/C 7379

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CONTRACT FOR TRANSFERRING CHINA WATER AWARDED
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THE WATER SUPPLIES DEPARTMENT TODAY (MONDAY) AWARDED A \$38 MILLION CONTRACT FOR THE SUPPLY AND INSTALLATION OF MECHANICAL EQUIPMENT FOR SAI O PUMPING STATION.

THE PUMPING STATION IS ONE OF THE MAJOR INSTALLATIONS TO BE CONSTRUCTED TO CATER FOR THE INCREASED QUANTITY OF WATER SUPPLIED FROM CHINA BEYOND 1994 ACCORDING TO THE AGREEMENT MADE BETWEEN HONG KONG AND CHINA IN DECEMBER 1989.

UPON COMPLETION, THE STATION WILL SERVE TWO PURPOSES.

FIRSTLY, IT ALLOWS STRATEGIC TRANSFER OF WATER FROM PLOVER COVE RESERVOIR TO HIGH ISLAND RESERVOIR AT AN INCREASED RATE SO AS TO PROVIDE ADEQUATE CAPACITY IN PLOVER COVE RESERVOIR FOR STORING CHINA WATER.

SECONDLY, IT HELPS TO INCREASE THE OUTPUT FROM PLOVER COVE RESERVOIR TO SHATIN TREATMENT WORKS DURING THE CHINA WATER SHUTDOWN PERIOD.

THE STATION WILL CONTAIN EIGHT PUMPS WITH A TOTAL INSTALLED CAPACITY OF 1,500 MILLION LITRES A DAY.

THE TWO-YEAR MECHANICAL CONTRACT INCLUDES THE SUPPLY AND INSTALLATION OF PUMPSETS AND THE ASSOCIATED MECHANICAL EQUIPMENT.

THE CONTRACT WAS SIGNED BY THE ACTING DEPUTY DIRECTOR OF WATER SUPPLIES, MR KO CHAN-GOCK AND A REPRESENTATIVE OF ASEA BROWN BOVERI LIMITED.

THE PROJECT CONSULTANT IS BINNIE CONSULTANTS LIMITED.

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WATER STORAGE FIGURE
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STORAGE IN HONG KONG'S RESERVOIRS AT 9 AM TODAY (MONDAY) STOOD AT 87.4 PER CENT OF CAPACITY OR 512.021 MILLION CUBIC METRES.

THIS TIME LAST YEAR THE RESERVOIRS CONTAINED 449.967 MILLION CUBIC METRES OF WATER, REPRESENTING 76.8 PER CENT OF CAPACITY.

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MONDAY, NOVEMBER 8, 1993

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS
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	\$ MILLION -----
OPENING BALANCE IN THE ACCOUNT	1,930
REVERSAL OF LAF	+1,070
BALANCE AFTER REVERSAL OF LAF	3,000
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	NIL
CLOSING BALANCE IN THE ACCOUNT	3,000

LAF RATE 2.00 BID/4.00 OFFER TWI 113.2 *-0.1* 8.11.1993

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS			EF NOTES/HONG KONG GOVERNMENT BONDS			
TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.90 PCT	12 MONTHS	2411	4.625	101.30	3.35
1 MONTH	2.89 PCT	15 MONTHS	2502	4.75	101.51	3.55
3 MONTHS	2.89 PCT	18 MONTHS	2505	3.75	99.90	3.85
6 MONTHS	3.00 PCT	21 MONTHS	2508	4.625	101.07	4.03
12 MONTHS	3.34 PCT	36 MONTHS	3610	4.20	99.19	4.54

TOTAL TURNOVER OF BILLS AND BONDS - 19,978 MN

CLOSED 8 NOVEMBER 1993

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