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Motion on retirement protection proposed

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The Secretary for Education and Manpower, Mr Michael Leung, will move a motion in the Legislative Council on March 8 (Wednesday) on retirement protection, a Government spokesman said today (Tuesday).

The motion will read: "This Council urges Government to introduce as expeditiously as possible a mandatory, privately managed occupational retirement protection system with provision for the preservation and portability of benefits."

"If we are to propose an alternative to the Old Age Pension Scheme, then it must have the clear support of the Legislative Council. Clear support from LegCo would mean that we could proceed with detailed preparations for the proposed system.

"This would also enable us to consult the Chinese side of the Joint Liaison Group on the proposal," said the spokesman.

The proposed system could include the following main features:

- * it would be mandatory for every employer to establish a retirement scheme for his employees under the age of 65;
- * it would be a joint contribution scheme by employees and employers;
- * there would be a statutory minimum contribution, of which the employer should pay half;
- * there would be a minimum salary level, below which an employee might elect not to participate in a scheme;
- * there would be a maximum salary level above which statutory contributions would not be required;
- * there will be a requirement for preservation and portability of benefits until an employee reaches retirement age, except in specified circumstances such as death, total disability or permanent departure from Hong Kong;

- * there will be enhancement of regulatory controls over the operation of registered occupational retirement schemes, and the prudential supervision of scheme administrators and pooled retirement schemes; and
- * a system would be developed to deal with benefit losses due to fraud or misfeasance of scheme administrators

End/Tuesday, February 21, 1995

Preliminary findings of property review 1995 released

The Rating and Valuation Department today (Tuesday) released the preliminary findings of the property review 1995.

The exercise to review production and activity in the property market last year and to forecast supply for 1995 and 1996 is nearing completion.

The preliminary findings on supply, forecast, take-up and vacancy for private domestic units, offices, commercial, flatted factories, and industrial-office category are:

Private domestic

Small/medium units (Saleable area below 100 square metres)

The number of units completed in 1994, that is, with occupation permits issued in 1994, amounted to just over 32,100, a figure close to that forecast a year ago. This level of supply represents an increase of 20% over 1993.

The New Territories accounted for around 70% of the year's supply, with the largest concentration (7,100 units) in Sha Tin.

Take-up in 1994, at 22,430 units, was well below the year's supply, leading to an increase in vacancy at the year end to 4.7% of stock. However, it is important to note that 8,900 units, almost 28% of the year's supply, only received occupation permits in December. These accounted for 24% of units vacant at the year end.

The number of units forecast for completion in 1995 is around 24,100, and 1996 should see this rising a little to 26,100.

Large units (Saleable area 100 square metres and over)

The supply of large units in 1994 amounted to 2,000, 38% up on the forecast at the beginning of the year. This supply figure represents a more than doubling of the 1993 supply.

The "traditional" locations, Mid-levels and Island South on Hong Kong Island, accounted for around 880 units, with the remainder completed in the New Territories, largely in the districts of Yuen Long, Sha Tin and Discovery Bay.

Take-up in 1994 was just over 1,000 units, a figure equivalent to only 50% of the year's supply. The year-end vacancy figure rose as a result, to 4.8% of stock. As in the case of the small/medium category, almost 28% of the year's supply was completed in December.

Supply in 1995 should amount to 2,060 units, but in 1996 it is likely to drop to below 1,200. A significant proportion of the 1995 supply, around 79%, will be in the New Territories. In 1996, supply will be more evenly split between Hong Kong Island and the New Territories.

Overall

The analysis of transactions in the selected established residential developments, listed at Appendix A, shows that prices in January 1995 have continued to fall, and by the middle of the month, were, on average, 14% down from the April 1994 peak.

The regular quarterly price and rental indices show overall increases at the end of 1994 of 18% and 21% respectively over a year earlier.

Offices

Overall supply in 1994 was around 502,000 square metres, 22% more than supply in 1993.

Take-up of offices overall was 226,000 square metres, a figure representing less than half of the year's supply. Vacancy rose as a result, to 9.8% of stock, a similar level to 1992.

Supply in 1995 is forecast to fall to 394,000 square metres with 1996 expected to see supply increasing again, to 478,000 square metres. Present indications are that supply in 1997 will significantly exceed that of 1996, and most of this will be Grade A.

The year-end overall price and rental indices show increases of 25% and 23% respectively over the end of 1993 levels.

Grade A

The supply of Grade A space in 1994, at 330,000 square metres, was up on 1993 levels by around 74%. Almost half of the year's supply was in Tsim Sha Tsui.

Take-up of Grade A space in 1994 was 102,000 square metres, a figure well below supply for the year, resulting in a rise in vacancy to 10.2% of stock. The fact that around 50% of the supply in the year was completed in the last quarter contributed to the higher vacancy.

Supply in 1995 is expected to be around 236,000 square metres with Hung Hom accounting for more than 40% of the space. Forecasts for 1996 point to 217,000 square metres of completions and most of this will be in Central and North Point.

Grade B

Grade B supply in 1994, at 114,000 square metres, was 25% down on 1993 levels.

Take-up of Grade B space was 91,000 square metres, a level 20% below the year's supply. Vacancy at the year-end, at 10.2% of stock, remained very much the same as in 1992 and 1993.

Supply will fall again in 1995, to 94,000 square metres but 1996 is expected to see 144,000 square metres of completions, spread fairly well throughout the various Hong Kong and Kowloon districts.

Grade C

Grade C accommodation now tends to be that built on small cramped sites giving limited floorplate sizes.

At 58,000 square metres, supply in 1994 was 19% down on 1993.

Grade C take-up amounted to 33,000 square metres, 43% less than supply, and year-end vacancy stood at 8% of stock.

Supply in 1995 is expected to be 64,000 square metres, and in 1996, it is expected to rise significantly to 117,000 square metres, more than half in Sheung Wan and North Point districts.

Commercial

Supply of commercial space in 1994 was 240,000 square metres, around 12% less than in 1993.

Take-up represented a little over half of the year's supply, and year-end vacancy was 6.8% of stock.

Forecasts for 1995 point to an increase in supply levels, to 264,000 square metres but in 1996, it is expected to drop to around 174,000 square metres. The retail indices show that prices and rents at the end of 1994 were up by 4% and 16% respectively on a year earlier.

Flatted factories

Please note that the flatted factory category includes floorspace with planning permission for industrial-office use, but for which no lease modification has yet been instituted.

It should also be noted that much of the flatted factory space provided recently has been built to a good standard with good finishes. Most such space is occupied for a mix of office and light industrial uses. This is also likely to apply to that currently under construction.

At 266,000 square metres, supply in 1994 was almost 14% down on supply in 1993.

Take-up in 1994 was effectively a negative 73,000 square metres. Vacancy at the year-end rose only marginally however, to 6.3% of stock. This phenomenon was largely due to a relatively high demolition rate in the year. Forecasts in 1995 point to a supply of 268,000 square metres, of which about 7,000 square metres is potentially industrial-office space, that is, with planning permission.

In 1996, completions are expected to rise again to 395,000 square metres, 23,000 square metres of which is potentially industrial-office. Early indications are that supply in 1997 will be slightly down on 1996 levels. The price and rental indices for the end of 1994 show little change from a year earlier.

Industrial-office

This new category comprises floorspace which has both planning permission for industrial-office use and a lease modification completed or in progress.

Stock in this sector, at the end of 1993, was a low 15,000 square metres. However, excluded from this figure is strata-title floorspace with temporary planning permission for industrial-office use and short-term waivers of Crown Lease restrictions. This space remains classified as flatted factory.

Supply in 1994 was 24,000 square metres, all in one development, and looks set to rise in 1995 and 1996 to 82,000 square metres and 239,000 square metres respectively.

The 1995 floorspace encompasses six separate developments and the 1996 floorspace, 11 separate developments. The outcome depends of course on whether all modifications are successfully concluded. Early indications are that supply in 1997 will significantly exceed 1996 levels.

Take-up in 1994 was 16,000 square metres and the vacancy figure at the year-end was 21.9% of stock. Vacancy was largely attributable to the single development completed in 1994.

Attention News Editors:

The Commissioner of Rating and Valuation, Mr Barry Woodroffe, and an assistant commissioner, Mr Mok Kam-kwan, will be available to meet the media at 4.30 pm today in the conference room on the 26th floor of Hennessy Centre, 500 Hennessy Road, Causeway Bay.

Please note that the figures are provisional pending further data and analysis work and may be amended when the property review is published.

The domestic price indices at Appendix A are those derived from monthly analysis of Sale and Purchase Agreements in selected developments. The domestic indices at Appendices B, C and D are the department's quarterly indices derived from sales and rents for properties of virtually all ages and in all locations. Sales of new properties from developers are not included in any of these indices.

For enquiries, please call Assistant Commissioner Mr K K Mok on telephone 2805 7603, Technical Secretary Mrs M Bird on 2805 7614 and Assistant Technical Secretary Mr C H Chan on 2805 7633.

Private Domestic

	<u>Supply</u>	<u>No. of units Take-up*</u>	<u>Vacancy</u>	<u>%**</u>
All Units				
1992	26 220	22 680	34 070	4.2
1993	27 670	27 320	32 240	3.9
1994	34 170	23 440	40 510	4.7
1995	[26 160]			
1996	[27 270]			
Small/Medium Units (Saleable Areas less than 100m²)				
1992	25 140	21 300	31 330	4.2
1993	26 690	26 360	29 850	3.9
1994	32 170	22 430	37 490	4.7
1995	[24 100]			
1996	[26 100]			
Large Units (Saleable Area 100m² and over)				
1992	1 080	1 380	2 740	4.5
1993	980	960	2 390	3.9
1994	2 000	1 010	3 020	4.8
1995	[2 060]			
1996	[1 170]			

"Private domestic" excludes flats built under the Home Ownership, Private Sector Participation, Urban Improvement & Flat-For-Sale Schemes.

* Take-up figures represent the net increase in the number of units occupied in the year under review and are arrived at by adding to the vacancy figures at the beginning of the year, the supply in that year, then subtracting the year's demolitions and the year-end vacancy figures.

** Vacancy at the end of the year as a percentage of stock.

[forecast figures]

Offices

	(Internal Floor Area '000m ²)			
	<u>Supply</u>	<u>Take-up*</u>	<u>Vacancy</u>	<u>%**</u>
<u>All Units</u>				
1992	565	474	589	9.7
1993	413	537	429	6.7
1994	502	226	673	9.8
1995	[394]			
1996	[478]			
<u>Grade A</u>				
1992	340	272	347	10.2
1993	190	367	170	4.8
1994	330	102	397	10.2
1995	[236]			
1996	[217]			
<u>Grade B</u>				
1992	142	137	153	10.1
1993	151	109	170	10.3
1994	114	91	174	10.2
1995	[94]			
1996	[144]			
<u>Grade C</u>				
1992	83	65	89	7.4
1993	72	61	89	7.2
1994	58	33	102	8.0
1995	[64]			
1996	[117]			

* Take-up figures represent the net increase in the occupied floor space in the year under review and are arrived at by adding to the vacancy figures at the beginning of the year, the supply in that year, then subtracting the year's demolitions and the year-end vacancy figures.

** Vacancy at the end of the year as a percentage of stock.

[forecast figures]

N.B. Office grades are determined in accordance with criteria which principally reflect the qualities of construction, finishes, facilities and management. Location is not a criterion.

Commercial

	(Internal Floor Area '000m ²)			
	<u>Supply</u>	<u>Take-up*</u>	<u>Vacancy</u>	<u>%**</u>
1992	165	124	336	4.4
1993	273	71	481	6.1
1994	240	125	546	6.8
1995	[264]			
1996	[174]			

Flatbed Factories

	(Internal Floor Area '000m ²)			
	<u>Supply</u>	<u>Take-up*</u>	<u>Vacancy</u>	<u>%**</u>
1992	546	417	1 134	6.4
1993	311	226	1 070	6.0
1994	266	-73	1 108	6.3
1995	[268]			
1996	[395]			

Industrial-Office

	(Internal Floor Area '000m ²)			
	<u>Supply</u>	<u>Take-up*</u>	<u>Vacancy</u>	<u>%**</u>
1994	24	16	9	21.9
1995	[82]			
1996	[239]			

* Take-up figures represent the net increase in the occupied floor space in the year under review and are arrived at by adding to the vacancy figures at the beginning of the year, the supply in that year, then subtracting the year's demolitions and the year-end vacancy figures.

** Vacancy at the end of the year as a percentage of stock.

[forecast figures]

ACTUAL PRICE INDICES
FOR
SELECTED RESIDENTIAL DEVELOPMENTS
(7/92 to 12/92 = 100)

Year	Month	Small & Medium			Large			Overall		
		Urban	N.T.	All	Urban	N.T.	All	Urban	N.T.	All
1993	Jan	93.6	93.5	93.6	98.3	93.9	96.9	94.0	93.3	93.8
	Feb	95.4	93.5	94.5	99.9	95.2	98.4	95.8	93.6	94.8
	Mar	96.3	94.2	95.4	103.2	97.0	101.2	96.9	94.3	95.7
	Apr	99.1	95.0	97.2	104.5	98.6	102.6	99.5	95.2	97.6
	May	101.0	98.3	99.8	105.1	101.0	103.8	101.3	98.4	100.0
	Jun	107.1	101.0	104.3	113.4	107.3	111.5	107.6	101.3	104.8
	Jul	114.7	105.9	110.7	120.1	110.4	117.0	115.1	106.1	111.1
	Aug	118.2	107.9	113.5	125.4	112.0	121.1	118.8	108.1	114.1
	Sep	117.2	106.8	112.5	127.2	111.9	122.3	118.0	107.0	113.1
	Oct	115.4	105.5	110.9	129.4	110.2	123.3	116.6	105.7	111.8
	Nov	116.9	106.1	112.0	134.0	117.9	128.9	118.3	106.7	113.2
	Dec	120.6	106.6	114.3	137.9	121.9	132.8	122.0	107.3	115.5
1994	Jan	129.3	113.1	122.0	146.8	134.2	142.8	130.7	114.1	123.4
	Feb	140.8	118.2	130.6	159.5	139.5	153.1	142.3	119.2	132.1
	Mar	151.8	127.7	140.9	174.6	154.2	168.1	153.7	129.0	142.8
	Apr	158.4	135.5	148.1	183.7	157.8	175.5	160.5	136.6	149.9
	May	150.9	131.9	142.3	174.8	161.2	170.5	152.9	133.3	144.2
	Jun	149.6	132.7	142.0	179.2	158.9	172.7	152.0	134.0	144.0
	Jul	142.7	128.9	136.5	166.8	153.5	162.6	144.7	130.1	138.2
	Aug	142.4	127.8	135.8	169.7	151.9	164.0	144.7	129.0	137.7
	Sep	142.4	128.0	135.9	163.6	146.3	158.1	144.2	128.9	137.4
	Oct*	143.0	128.9	136.6	168.9	146.0	161.6	145.1	129.7	138.3
	Nov*	143.3	128.1	136.4	168.1	157.9	164.9	145.4	129.5	138.4
	Dec*	138.5	123.7	131.8	158.7	150.7	156.2	140.2	125.0	133.5
1995	Jan*	131.6	120.4	126.5	157.0	146.2	153.6	133.7	121.7	128.4

Selected Developments are :

Small/Medium Units

Baguio Villa, Chi Fu Fa Yuen, City Garden, Heng Fa Chuen, Korahill, South Horizons, Taikoo Shing, Amoy Gardens, Laguna City, Mei Foo Sun Chuen, Seaway Garden, Telford Gardens, Whampoa Garden, Riviera Gardens, Wonderland Villas, Belvedere Garden, Luk Yeung Sun Chuen, City One, Serenity Park, Uptown Plaza, Fanling Centre, Marina Garden, Miami Beach Towers, Sun Tuen Mun Centre, Fairview Park, Kingswood Villas and Discovery Bay.

Large Units

Baguio Villa, Beverly Hill, Braemar Hill Mansions, Cavendish Heights, Greenville Gardens, Ning Yeung Terrace, Parkway Court, Regent on the Park, Taikoo Shing, Villa Lotto, Villa Rocha, Beverly Villa, Beacon Heights, Mei Foo Sun Chuen, Village Gardens, Discovery Bay, Fairview Park, Hong Lok Yuen and Wonderland Villas.

Technical Notes

- (i) The indices are based on an analysis of prices paid for COMPLETED flats as recorded in Sale and Purchase agreements. Date of sale is the date on which an Agreement for Sale and Purchase is signed. Provisional agreement is generally reached 2-3 weeks earlier.
- (ii) The component index for each property group in a sample development is calculated by dividing the average unit price for the concerned month by the average unit price of the base period. The composite index for a property group is compiled by calculating a weighted average of the component indices. The weights are based on the number of transactions effected during the base period.

* Provisional - liable to change as further data becomes available for analysis.

Prepared on 14.2.95

PRICE AND RENTAL MOVEMENTS IN 1994
(based on indices compiled by RVD)

Private Property Category	Average Increase %	
	4Q94 4Q93	
	Price	Rent
Domestic Premises : Small & Medium Flats (Saleable Area less than 100m ²)	17	15
Large Flats (Saleable Area 100m ² and over)	26	40
Overall	18	21
Offices :		
Grade A	25	28
Grade B	36	20
Grade C	16	17
Overall	25	23
Retail Premises :	4	16
Flatted Factories :	-1	4

PRICE INDICES

(1989 = 100)

Private Property Category	1993	1994			
	4Q	1Q	2Q*	3Q*	4Q*
Domestic Premises :					
Class A (Up to 39.9m ²)	231	254	269	269	268
Class B (40.0 to 69.9m ²)	259	305	315	311	305
Class C (70.0 to 99.9m ²)	282	330	363	359	349
Classes D & E (over 99.9m ²)	282	337	365	363	356
Overall	251	288	302	299	295
Offices :					
Grade A	169	208	238	224	(211)
Grade B	176	214	248	241	(240)
Grade C	173	195	210	206	201
Overall	171	207	234	223	214
Retail Premises :	252	278	294	283	262
Flatted Factories :	186	192	194	189	185

* Provisional - liable to change as further data becomes available for analysis.

() Indicates fewer than 20 transactions.

Technical Notes :

The indices are based on an analysis of prices for completed properties. Premises of all ages and in all locations are included. Where appropriate, the date of sale is taken as the date of agreement.

RENTAL INDICES

(1989 = 100)

Private Property Category	1993	1994			
	4Q	1Q	2Q	3Q*	4Q*
Domestic Premises :					
Class A (Up to 39.9m ²)	146	151	162	165	165
Class B (40.0 to 69.9m ²)	149	153	169	169	173
Class C (70.0 to 99.9m ²)	154	159	185	184	194
Class D (100.0 to 159.9m ²)	148	154	182	192	201
Class E (Over 159.9m ²)	140	150	175	189	201
Overall	147	153	171	174	178
Offices :					
Grade A	114	123	134	141	146
Grade B	113	120	128	134	136
Grade C	121	128	134	136	141
Overall	115	123	132	138	142
Retail Premises :	173	183	191	194	201
Flatted Factories :	129	130	132	134	134

* Provisional - liable to change as further data becomes available for analysis.

Technical Notes :

The indices are based on an analysis of rentals paid for completed properties, and include premises of all ages and in all locations. The effective date is taken as the commencement date of a tenancy agreement. However, rents are normally agreed earlier (2-4 weeks earlier for fresh lettings, and 1-3 months for lease renewals).

End/Tuesday, February 21, 1995

Anti-speculation measures to remain in force

* * * * *

Commenting on the preliminary findings of the Hong Kong Property Review 1995 published by the Rating and Valuation Department (RVD), the Secretary for Housing, Mr Dominic Wong, said today (Tuesday) that the Government was satisfied that the anti-speculation measures were achieving the desired result and that they should remain in force.

The analysis of the provisional findings collated by RVD indicated that the average transaction prices of private residential developments in Hong Kong had continued to fall in January 1995.

By mid-January, prices of residential developments, excluding prices of pre-sale units asked by developers, were on average 14% down from peak prices in April 1994.

"Domestic property prices have in general moderated, but they are still high despite recent price adjustments. Prices in January 1995 were still about 37% higher than those of January 1993," Mr Wong said.

He said asking prices of new flats offered by developers had fallen by about 10 per cent - 30 per cent from the peak in April last year, depending on locations.

"It shows that speculative activities in the property market have significantly subsided since the introduction of the anti-speculation measures in June last year. We are satisfied that these measures are achieving the desired results," Mr Wong said.

"Our aim remains to make home ownership available to as many people as possible. The package of measures introduced last year proved to be effective in reducing speculation," he added.

Commenting on the suggestions that the anti-speculation measures should be relaxed, Mr Wong said any such attempt was likely to encourage speculative activities again and push up property prices.

"The Government considers that the measures should remain in force as property prices are still out of reach of many prospective home buyers. That said, we have no intention of introducing new measures to influence the market," he said.

Mr Wong said the Government would continue to monitor developments in the property market closely.

A total of 34,170 residential units were completed in 1994, representing a 23 per cent increase over the supply in 1993. The Government estimated that about 26,200 flats would be completed in 1995.

End/Tuesday, February 21, 1995

Revision of hospital and clinic fees and charges

* * * * *

Hospital and clinic fees and charges will be revised with effect from May 1 this year. The last revision was made on February 1 last year.

The new charge for attendance at general out-patient clinics will be adjusted from \$29 to \$34 while the maintenance charge for a general ward bed will be increased from \$54 to \$60.

Other fees and charges are revised in accordance with the respective increases in costs.

A spokesman for the Health and Welfare Branch said today (Tuesday) that this was a routine exercise to reflect rising costs. He stressed that the Government would continue to uphold its policy that no one should be denied adequate medical treatment through lack of means.

"The Government will continue to heavily subsidise general wards and out-patient clinic services," he said, adding that fee remissions or waivers would be available to those patients who were in genuine hardship and could not afford to pay.

The new rates will apply only to "entitled persons", that is those who hold a Hong Kong Identity Card or a British passport. "Non-entitled persons" will continue to pay the full cost of medical services which has also been adjusted in line with inflation.

The new fees and charges for entitled persons are:

Department of Health

	New Fee (\$)	Present Fee (\$)
<u>In-patient</u>		
Clinic with maternity ward	60	54
<u>Out-patient</u>		
General Outpatient Department	34	29
Specialist Out-patient Department	40	36
Dressing and Injection	14	12

Hospital Authority

	New Fee (\$)	Present Fee (\$)
<u>In-patient (per bed day)</u>		
- Public Ward	60	54
- Private Ward		
- General Hospital		
1st Class	2,780	2,590
2nd Class	1,860	1,730
- Private Psychiatric Ward		
1st Class	755	620
2nd Class	505	415
<u>Out-patient (per attendance)</u>		
- General Out-patient	34	29
- Specialist Out-patient	40	36
- Dressing and Injection	14	12
- Geriatric Day Hospital	48	44
- Psychiatric Day Hospital	48	44
<u>Community Nursing (per visit)</u>		
- General	48	44
- Psychiatric	48	44

End/Tuesday, February 21, 1995

Consumer Price Indices for January 1995

* * * * *

The Consumer Price Index (A) in January 1995 was 10.1% higher than in January 1994, according to figures released today (Tuesday) by the Census and Statistics Department. The corresponding increase in December 1994 was 8.9%. Commenting on the figures, a Government spokesman pointed out that the faster increase in the CPI(A) in January was largely a seasonal phenomenon.

In particular, the prices of some essential food items as well as charges for hair-dressing and package tours rose as the Lunar New Year was approaching, he said.

Comparing January 1995 with January 1994, the prices of vegetables and salt-water fish showed increases of 30% and 14% respectively.

The seasonal price surge was compounded by a difference in the timing of the Lunar New Year, which fell at end-January this year but near mid-February last year, thereby giving a low base of comparison for the January 1995 CPI figures. In January 1994, the increase in the CPI(A) was only 6.2%.

The rate of increase in the Consumer Price Index (B) also rose, from 9.5% in December 1994 to 10.4% in January 1995.

As regards the Hang Seng CPI, which has a comparatively smaller weighting for fresh food items, a moderation in the charges of meals bought away from home and in the prices of outerclothing offset the effect of faster increase in food prices.

The rate of increase in the Hang Seng CPI thus remained at 10.3% in January.

The Composite CPI, which is compiled based on the combined expenditure pattern of households covered by the three CPIs, showed an increase of 10.3% in January 1995 over the same month in 1994. This was also higher than the corresponding increase of 9.5% in December last year.

Comparing January 1995 with January 1994, relatively faster price increases than the overall average were recorded for housing (12.5% in the CPI(A) and 14.2% in the CPI(B)); miscellaneous services (13.6% and 13.1%); food (excluding meals bought away from home) (11.5% and 10.6%); and clothing and footwear (10.2% and 10.9%).

On the other hand, relatively slower price increases than the overall average were recorded for durable goods (3.8% in the CPI(A) and 4.0% in the CPI(B)); alcoholic drinks and tobacco (4.5% and 4.6%); fuel and light (5.3% and 5.5%); meals bought away from home (8.0% and 7.8%); miscellaneous goods (8.1% and 7.0%); and transport (8.5% and 8.1%).

Comparing January 1995 with December 1994, both the CPI(A) and CPI(B) increased by 0.7%. The corresponding increase for the Composite CPI was 0.5%.

For the three months ended in January 1995, the CPI(A) and CPI(B) were, on average, higher by 9.2% and 9.8% respectively over a year earlier. The corresponding increase for the Composite CPI was 9.7%.

For the 12 months ended in January 1995, the CPI(A) and CPI(B) were, on average, higher by 8.4% and 8.9% respectively than in the preceding 12-month period. The corresponding increase for the Composite CPI was 9.0%.

Seasonally adjusted series are also available for the CPIs. Both the deseasonalised CPI(A) and CPI(B) increased at an average rate of 0.7% per month during the three months ended January 1995. The corresponding increase for the Composite CPI was also 0.7%.

More details are given in the "Consumer Price Index Report" for January 1995, which is available at \$23 a copy from the Government Publications Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway, Hong Kong; or from the Publications Section of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

For local and overseas mailings, contact should be made with the Information Services Department, French Mission Building, 1 Battery Path, Hong Kong.

For enquiries about the indices, please telephone the Consumer Price Index Section of the Census and Statistics Department on 2805 6403. Details regarding the Hang Seng CPI are contained in the Hang Seng CPI Report issued by the Economic Research Department of Hang Seng Bank Ltd.

Table 1 Consumer Price Indices and Rates of Increase for January 1995
(Oct. 89 - Sep. 90 = 100)

Component	CPI(A)		CPI(B)		Hang Seng CPI		Composite CPI	
	Index for Jan 95	% change over Jan 94	Index for Jan 95	% change over Jan 94	Index for Jan 95	% change over Jan 94	Index for Jan 95	% change over Jan 94
Food	147.4	+9.6	148.9	+8.9	151.7	+8.6	148.8	+9.2
Meals bought away from home	156.6	+8.0	156.3	+7.8	158.5	+7.8	156.9	+7.9
Food, excluding meals bought away from home	138.3	+11.5	138.7	+10.6	140.0	+10.1	138.7	+11.0
Housing	175.9	+12.5	180.3	+14.2	183.8	+13.7	180.1	+13.5
Fuel and light	128.6	+5.3	128.3	+5.5	128.4	+5.2	128.5	+5.4
Alcoholic drinks and tobacco	189.2	+4.5	178.2	+4.6	172.1	+4.2	182.9	+4.5
Clothing and footwear	140.9	+10.2	142.1	+10.9	151.9	+10.9	145.1	+10.7
Durable goods	114.1	+3.8	113.5	+4.0	118.7	+4.0	115.2	+3.9
Miscellaneous goods	138.8	+8.1	134.2	+7.0	132.0	+6.9	135.3	+7.4
Transport	152.6	+8.5	152.2	+8.1	151.5	+7.8	152.1	+8.2
Miscellaneous services	171.8	+13.6	165.8	+13.1	154.0	+10.9	164.1	+12.6
All items	154.1	+10.1	155.3	+10.4	158.2	+10.3	155.6	+10.3

Monthly consumer price indices are compiled on the basis of (a) expenditure patterns of relevant households and (b) prices collected currently in the month. The expenditure patterns underlying the 1989/90-based consumer price indices are based on those patterns derived from the 1989/90 Household Expenditure Survey. The CPI(A) is based on the expenditure pattern of about 50% of households in Hong Kong, which had an average monthly expenditure of \$2,500-\$9,999 in 1989/90 (broadly equivalent to \$3,600-\$14,600 at 1994 prices). The CPI(B) is based on the expenditure pattern of the next 30% of households, which had an average monthly expenditure of \$10,000-\$17,499 in 1989/90 (broadly equivalent to \$14,600-\$26,000 at 1994 prices). The Hang Seng CPI is based on the expenditure pattern of the next 10% of households, which had an average monthly expenditure of \$17,500-\$37,499 in 1989/90 (broadly equivalent to \$26,000-\$56,000 at 1994 prices).

Whereas the CPI(A), CPI(B) and Hang Seng CPI are based on the expenditure patterns of groups of households with different magnitudes of household expenditure, the Composite CPI is compiled based on the expenditure pattern of all these households taken together. Thus, while the CPI(A), CPI(B) and Hang Seng CPI show the impact of consumer price changes on different groups of households, the Composite CPI shows the impact of consumer price changes on the household sector generally.

Table 2 Consumer Price Indices for January 1992 - January 1995
(Oct. 89 - Sep. 90 = 100)

<u>Year/month</u>	<u>CPI(A)</u>	<u>CPI(B)</u>	<u>Hang Seng CPI</u>	<u>Composite CPI</u>
1992 January	119.7	119.3	119.4	119.5
February	121.8	121.2	121.0	121.4
March	122.5	121.9	121.8	122.1
April	124.0	123.4	122.9	123.5
May	124.0	123.8	124.2	124.0
June	125.3	125.1	125.2	125.2
July	125.5	125.4	125.4	125.4
August	125.6	125.9	125.8	125.8
September	128.3	127.9	127.5	128.0
October	128.4	128.4	128.6	128.5
November	128.5	129.0	129.9	129.0
December	129.3	129.8	130.0	129.7
1993 January	131.8	131.6	131.5	131.7
February	132.4	132.2	132.0	132.2
March	132.0	132.2	133.1	132.4
April	133.5	133.9	134.5	133.9
May	134.5	134.8	136.3	135.1
June	136.0	135.9	137.1	136.3
July	135.8	136.1	136.9	136.2
August	136.3	136.6	137.4	136.7
September	138.4	138.3	139.2	138.6
October	140.0	139.6	140.7	140.0
November	139.4	139.9	142.2	140.3
December	140.4	140.9	143.3	141.3
1994 January	140.0	140.7	143.4	141.1
February	142.7	142.9	144.9	143.3
March	142.5	143.0	145.3	143.4
April	143.8	144.8	147.9	145.2
May	145.0	146.1	150.0	146.7
June	146.2	146.9	151.0	147.7
July	147.3	147.9	150.5	148.3
August	149.6	149.6	151.7	150.1
September	150.3	150.8	153.4	151.3
October	151.1	152.2	155.3	152.6
November	151.4	153.1	157.3	153.5
December	153.0	154.3	158.1	154.8
1995 January	154.1	155.3	158.2	155.6

Chart 1 Year-on-year Rates of Increase
in CPI(A)

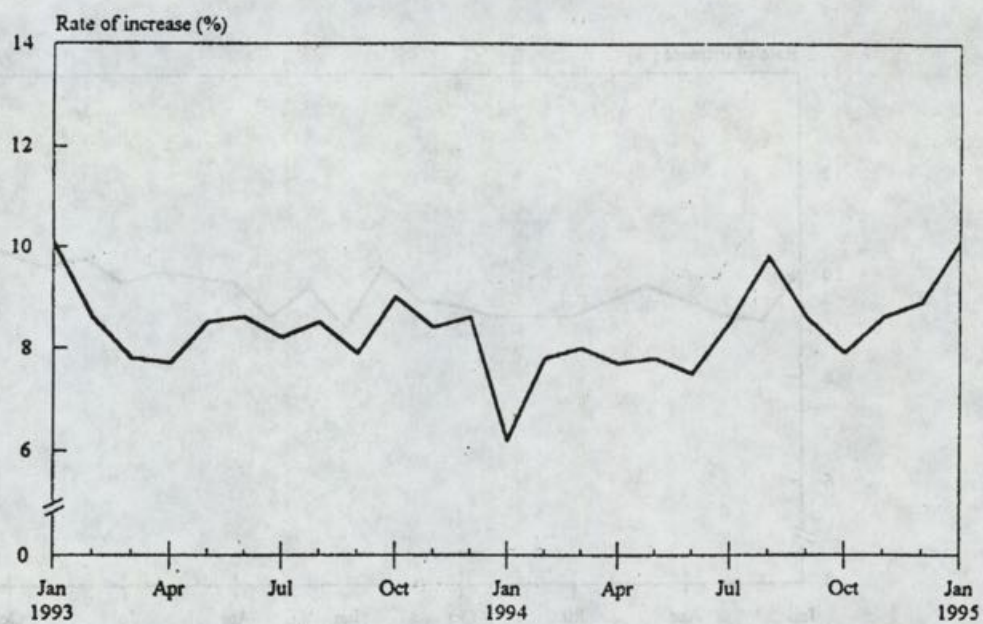


Chart 2 Year-on-year Rates of Increase
in CPI(B)

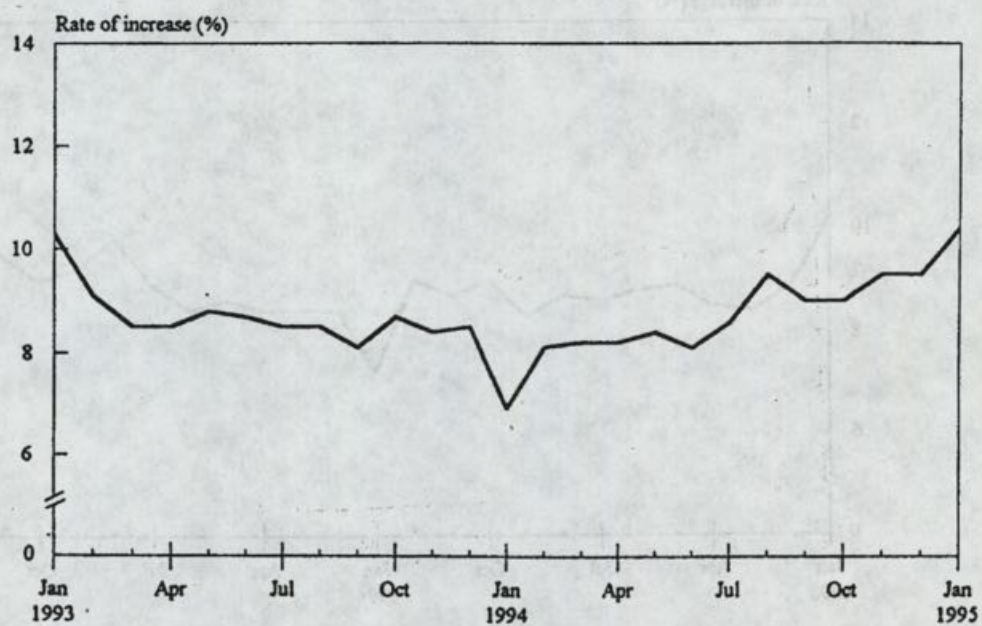


Chart 3 Year-on-year Rates of Increase
in Hang Seng CPI

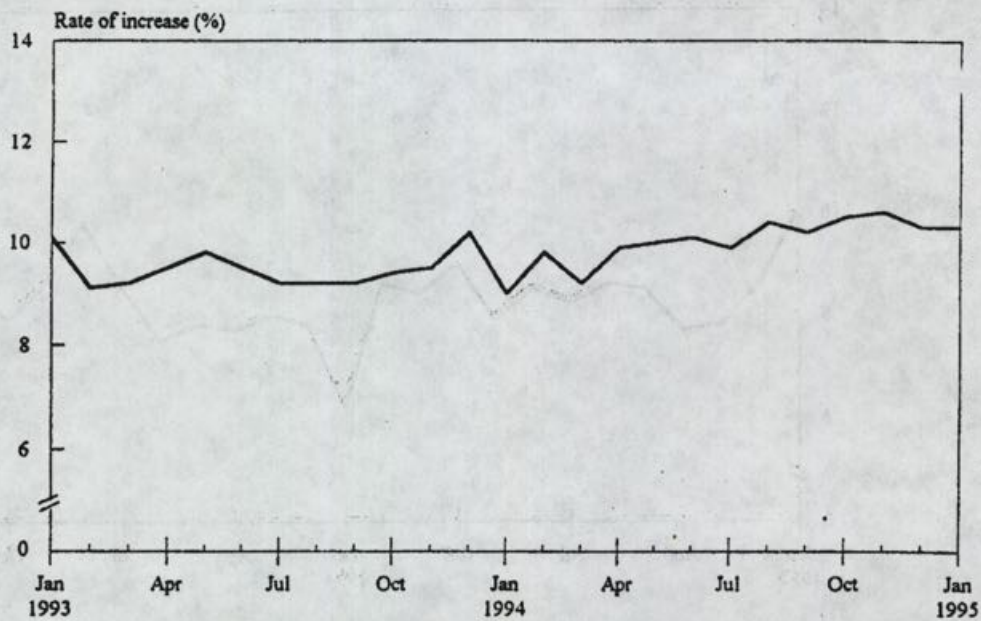
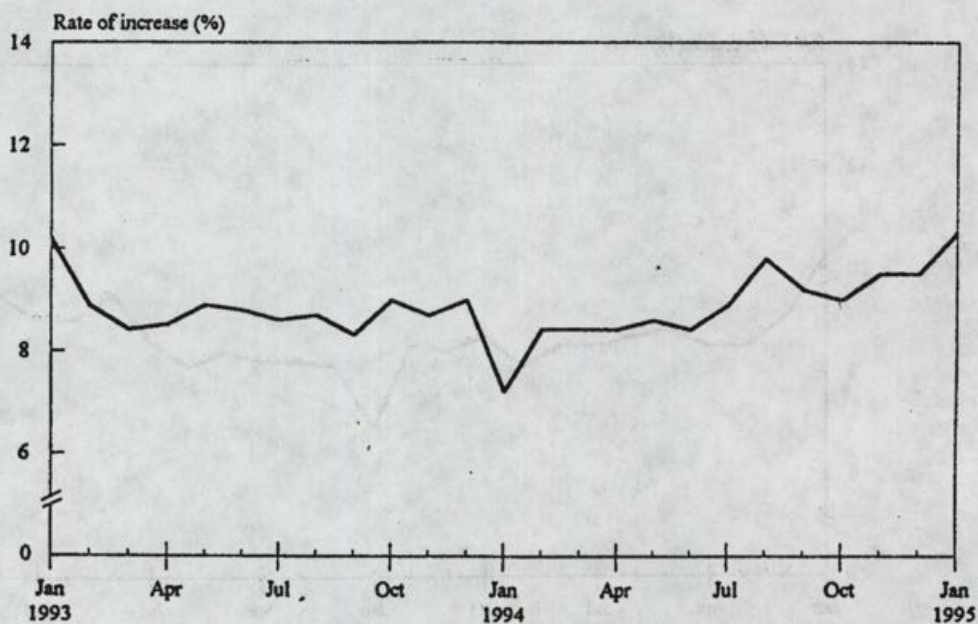


Chart 4 Year-on-year Rates of Increase
in Composite CPI



Transcript of Chief Secretary's media session

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Following is the transcript of the media session by the Chief Secretary, Mrs Anson Chan, after opening the Lam Tin Woman Health Centre today (Tuesday).

CS : Good afternoon everyone. I'll like to say something about retirement schemes. As you all know, we concluded a public consultation exercise on an earlier proposal to establish an old persons' pension fund. After extensive consultation, unfortunately, we did not get majority support for the Government's proposal. This is of course a great disappointment to those of us within the Administration who still believed that in terms of meeting the long-term financial needs of the elderly, the original OPS scheme was in fact the best way forward. However, since we did not receive majority support, the Government has a choice of either not proceeding with any retirement schemes at all, or to think of an alternative to the OPS that might receive majority support both from legislative councillors and from the community at large. And the Government believed that as there is a real need to address the financial security of those reaching retirement, the option of not doing anything is really not the right way forward. So we have in recent weeks been consulting legislative councillors on an alternative to the OPS which is what we call a mandatory privately-operated provident fund, MPF for short. At the Legislative Council meeting on March 8, we will be moving a motion to debate the proposal of establishing an MPF. The purpose of this debate would be to ascertain whether we have majority support in the Legislative Council for such a scheme to be set up. If there is majority support, then it is the Government's intention to establish such an MPF scheme as soon as possible. Of course, we will need to give further consideration to the details of such a scheme, and there are a number of aspects that require detailed consideration with the help of a consultant. It will also be necessary for us as soon as possible to consult with the Chinese on the establishment of such a scheme. But a great deal will depend on the outcome of this motion debate on March 8, and I do urge all legislative councillors to give careful consideration to this motion and to indicate in clear terms whether they support it or don't support it. But I want to make one thing abundantly clear and that is that the Government will not proceed with such a scheme unless we get a clear mandate from the legislative councillors.

Question : Are you confident that legislative councillors will support this new fund?

CS : The purpose of this motion debate is precisely to ascertain whether there is majority support. I would simply urge legislative councillors to give this debate their serious consideration because we do need a clear indication from members. If they feel there is a need to address the financial needs of old people on retirement, then this is one alternative. We earlier proposed an OPS which, unfortunately and very disappointingly for those of us within the Administration, who have given this a lot of thought, did not receive majority support. In the absence of that support, we have to consider whether there are other alternative schemes that members might feel more able to support. So I hope they will give this debate their very serious consideration and indicate in unequivocal terms whether they wish the Government to proceed or don't wish the Government to proceed. But I don't think sitting on the fence is an option.

End/Tuesday, February 21, 1995

ACE port plan approval welcomed

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The Port Development Board has welcomed environmental approval of the first stage of Lantau Port.

The Advisory Council on the Environment (ACE), on Monday, endorsed plans for Container Terminals 10 and 11 after studying the environmental impact assessment (EIA) on the project.

The chairman of the board, Mr John Gray, said ACE's endorsement of the EIA was good news for Hong Kong's economy.

He said great importance had been placed on possible effects on the environment when Container Terminals 10 and 11 were being planned.

"The EIA just endorsed by ACE shows that these effects are all well within accepted government planning guidelines."

He added: "I hope that we can now get on with bringing these two terminals into operation as soon as possible. They are urgently needed to cope with the continuing demand for increased container throughput."

"Figures just released by the Marine Department show that September was the third month running that Hong Kong handled more than one million 20-foot-equivalent units (TEUs) in one month. We are still the only port in the world to exceed the one-million-TEUs-a-month total," he said.

"The port remains the life-blood of Hong Kong, both for our workforce and for our economy as a whole."

He pointed out that in 1994, container handling alone added some \$214 billion to the local economy. Forecasts produced by the Port Development Board, which take into account the development of China's own container ports, show that this will rise to \$384 billion in 2001 and \$633 billion in 2011.

Mr Gray said these benefits to the economy would come about only if the port continued to expand to meet the demand.

"China is developing its own container ports," he said, "but they alone will not be able to handle the huge growth in throughput forecast for the next few years.

"If we can continue to cope with demand then the chances are that we shall be able to continue to anchor our service industries here. If we fail, then they will surely follow the cargo."

End/Tuesday, February 21, 1995

Government wins appeal over Shun Fung compensation

The acting Director of Lands, Mr Mo Chan-ming, today (Tuesday) said he had received an advance copy of the judgment from the Privy Council in London, issued yesterday concerning compensation payable on resumption of the land of the Shun Fung Ironworks in Tseung Kwan O.

Agreement on compensation for Shun Fung, resumed in 1986, could not be reached, and the case was referred to the Hong Kong Lands Tribunal which awarded Shun Fung, in June 1992, \$131 million.

The claimants appealed against this award to the Hong Kong Court of Appeal, which, in December 1993, increased the award to \$519 million. Both parties then appealed to the Privy Council in London, and the appeals were heard in November 1994. In the advance copy of the judgment, the Privy Council had restored, in most respects, the original award of the Lands Tribunal, Mr Mo said.

Shun Fung was also ordered to pay the Hong Kong Government four-fifths of the costs of the proceedings in the Court of Appeal and Privy Council.

The final judgment and an order from the Council are expected within two weeks.

End/Tuesday, February 21, 1995

Woman Health Centre instrumental in cancer detection

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The Chief Secretary, Mrs Anson Chan, said today (Tuesday) that the Woman Health Centre run by the Department of Health was instrumental in the early detection of cancers of breast and cervix, health problems that are woman-specific.

Addressing the opening ceremony of the Lam Tin Woman Health Centre, Mrs Chan said the Government strove to help women aged 45 or above either to avoid some of these diseases or to better cope with them.

She noted that the Centre also improved the health and well-being of women.

"The Centre not only provides appropriate counselling and support to help women better understand and cope with menopausal problems, such as physical ailments and emotional stress, it also teaches women how to keep themselves healthy and happy," she said.

Mrs Chan said: "Healthy lifestyles benefit not only women themselves, but their families and society at large."

Also speaking at the ceremony, the Director of Health, Dr Margaret Chan, said: "The importance of preventive medicine is gaining acceptance the world over and we are seeing a global shift in emphasis from curative to preventive care.

"The setting up of woman health centres for the prevention of cancers of breast and cervix, and the promotion of healthy lifestyle, is a move in step with this development," she said.

Noting that the first woman health centre had already detected several cases of cancer for early intervention, Dr Chan was confident that more women would make use of the woman health services to their benefit.

The Royal Hong Kong Jockey Club has donated \$5.7 million for the fitting out of the centre in Lam Tin.

The second woman health centre of the department will come on stream in 1995/96 and a third is being planned for 1996/97.

The woman health centre offers a health promotion and screening programme for all women aged 45 and above.

Early detection and treatment of cancers of the breast and cervix will increase a patient's chance of cure, and a lot of complications can also be avoided.

Those who wish to make use of the services will have to pay an annual fee of \$285, which includes the charge for a physical examination by the doctor, screening tests, health education sessions and any other visits during the year.

Participants requiring mammography will be charged a separate fee of \$205 for the x-ray examination.

End/Tuesday, February 21, 1995

Senior citizens have much to give to community

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Mrs Patten today (Tuesday) commended a group of elderly citizens for devoting their time and effort as volunteer helpers in a charity campaign.

Joining in the "Cookie Campaign Thank You Tea" organised by the Helping Hand, Mrs Patten said senior citizens had much to contribute and others had much to learn from them.

"We all wish to see our senior citizens continue to play a full and active role in our community for as long as they possibly can," she added.

Helping Hand succeeded in mobilising volunteers from all sectors of the community -- senior citizens, celebrities, women's groups and students.

"I am proud to say that the people of Hong Kong have once again shown just how generous they can be in devoting their time and effort to supporting a worthy cause," she said.

This is the 12th year in which Helping Hand has organised the cookie campaign.

A record-breaking 165,000 cookies were sold in a week. More than \$5 million has been raised for the elderly.

End/Tuesday, February 21, 1995

Human element is vital in safe operation of fast ferries

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The Director of Marine, Mr Allan Pyrke, called on operators of fast ferries to place more emphasis on human element in the whole operation of these craft.

Speaking at the opening of the 11th Fast Ferry International Conference and Exhibition this (Tuesday) afternoon, Mr Pyrke said human element be it in shore management, navigation, propulsion, maintenance, or whatever, was important in the safe operation of these craft.

He pointed out that from the administration viewpoint, the safety philosophy of regulating high-speed ferries had to be based on the management and reduction of risk.

Human error accounted for 80 per cent of all casualties in the shipping industry, Mr Pyrke said.

He noted that while there were no similar statistics for fast ferries but based on his own experience over many years of conducting inquiries into fast ferry accidents in Hong Kong, a similar statistic was probable.

Mr Pyrke, who will retire on February 28 after serving the Hong Kong Government for 27 years, pointed out that nearly all the casualties within his experience showed that one single factor never caused an accident.

"There are usually a sequence of events, any one of which, if absent, would probably have prevented the casualty happening," Mr Pyrke noted.

"This means that the company and operating crew must maintain a vigilance for daily voyages.

"This lack of mental alertness is, in my opinion, a safety risk that has not duly addressed as yet, although it may well fall under the general title of fatigue which is covered in the new International Code of Safety for High Speed Craft adopted by the International Maritime Organisation," he said.

He expected that such human facets were equally, if not more important, to safety operation than the design and manufacture of the craft and its equipment.

End/Tuesday, February 21, 1995

207 Vietnamese migrants return home voluntarily

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A group of 207 Vietnamese migrants today (Tuesday) returned to Vietnam under the Voluntary Repatriation Programme of the United Nations High Commissioner for Refugees.

Comprising 79 men, 59 women, 44 boys and 25 girls, they were the 225th batch to go back under the programme.

The group brought to 360 the total number of Vietnamese migrants who had returned voluntarily this year, and to 44,554 the total number of returnees since the programme started in March 1989.

End/Tuesday, February 21, 1995

Five lots of land for sale

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The Lands Department will auction five lots of land on Hong Kong Island and in Kowloon and the New Territories tomorrow (Wednesday).

The public auction will start at 2.30 pm in the Jade Ballroom of Hotel Furama-Kempinski, Connaught Road Central.

The first lot, adjoining 7 Stanley Main Street, Stanley, has an area of 210.8 square metres. The ground floor of the building to be constructed at the lot should be used for non-industrial use, excluding godown, while the other floors should be used for residential use.

The second lot, at the junction of 9 Cox's Road and 1-6 Cox's Path, has an area of 4,126 square metres for residential use.

The third lot, at the junction of Lam Lok Street and Sheung Yuet Road, Kowloon Bay, has an area of 1,889 square metres. It is intended for industrial or godown or both, or offices ancillary and directly related to an industrial operation or any combination of the specified uses, excluding any offensive trade.

Covering an area of 6,500 square metres, the fourth lot at the junction of On Lai Street and On Ping Street, Sha Tin, is for non-industrial use, excluding godown, residential, hotel, service apartment and petrol-filling station.

With an area of 5,900 square metres, the remaining lot at the junction of On Lai Street, On Kwan Street and On Muk Street, Sha Tin, is for industrial or godown or both or offices ancillary and directly related to an industrial operation or any combination of the specified uses, excluding any offensive trade and dangerous goods godown.

Attention News Editors:

Your representatives are invited to cover the auction.

A press area will be designated. Photographers are advised to bring along telephoto lenses.

End/Tuesday, February 21, 1995

Population in Dec at 6,149,100

The estimated population of Hong Kong at the end of December last year was 6,149,100, according to figures released by the Census and Statistics Department today (Tuesday).

This represents an increase of 129,200 persons or 2.1 per cent as compared with the estimated population of 6,019,900 at end-1993.

During 1994, there were 72,500 births and 29,600 deaths in Hong Kong. The balance of births and deaths thus amounted to 42,900 and accounted for 33 per cent of the population growth. During the same period, the balance of total arrivals and departures showed a net inflow of some 86,300 persons.

End/Tuesday, February 21, 1995

Hong Kong Monetary Authority tender results

Tender date	21 Feb 95	21 Feb 95
Paper on offer	EF bills	EF bills
Issue number	Q508	Y586
Amount applied	HK\$4,600 MN	HK\$2,310 MN
Amount allotted	HK\$1,500 MN	HK\$500 MN
Average yield accepted	6.49 PCT	7.19 PCT
Highest yield accepted	6.50 PCT	7.20 PCT
Pro rata ratio	About 95 PCT	About 64 PCT
Average tender yield	6.53 PCT	7.26 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning February 27, 1995

Tender date	28 Feb 95	28 Feb 95
Paper on offer	EF bills	EF bills
Issue number	Q509	H559
Issue date	1 Mar 95	1 Mar 95
Maturity date	31 May 95	30 Aug 95
Tenor	91 days	182 days
Amount on offer	HK\$1,500+300MN	HK\$800+160MN

End/Tuesday, February 21, 1995

Hong Kong Monetary Authority money market operations

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,592	0930	+1,360
Closing balance in the account	1,337	1000	+1,450
Change attributable to :		1100	+1,435
Money market activity	+1,440	1200	+1,440
LAF today	-1,695	1500	+1,440
		1600	+1,440

LAF rate 4.25% bid/6.25% offer TWI 120.6 *+0.2* 21.2.95

Hong Kong Monetary Authority

EF bills		EF notes/Hong Kong Government bonds				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.56	15 months	2605	6.35	99.06	7.27
1 month	5.87	24 months	2702	7.50	99.96	7.66
3 months	6.40	29 months	3707	6.95	98.49	7.78
6 months	6.75	35 months	3801	8.00	100.54	7.94
12 months	7.17	58 months	5912	8.15	99.53	8.44

Total turnover of bills and bonds - \$21,583 million

Closed February 21, 1995

End/Tuesday, February 21, 1995