



DAILY INFORMATION BULLETIN

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

Friday, May 31, 1996

<u>Contents</u>	<u>Page No.</u>
Transcript of the Governor's media session	1
AG's statement on discharge of incest trial jury	4
Economic situation in 1996 1st quarter and updated forecasts	5
Scrapping incentive scheme invites application	15
District Court Equal Opportunities Rules gazetted	17
Security services licence requirement to take effect	18
More user-friendly environment for business	19
Revision of Immigration Department fees	20
Marine parks and reserves regulation gazetted	21
Monetary statistics for April	22

/Licence fees

Contents

Page No.

Licence fees for hotels and guesthouses to be revised	25
Re-integrate disabled into community	26
Interest rate on tax reserve certificates revised	27
Rescue exercise to test efficiency	29
21-Gun Salute to mark anniversary of Queen's coronation	29
Annual industries surveys to be conducted	30
784 VMs return home voluntarily this month	31
Board amends Fanling/Sheung Shui Outline Zoning Plan	32
Prequalification tenders invited for water works	33
Tenders invited for two school projects	34
Tenders invited for Tai Kok Tsui new park	35
Construction of pier in Tsuen Wan	35
Public open space in Wan Chai planned	36
Drainage channel to reduce flooding in Sai Kung	37
Hong Kong Monetary Authority money market operations	37

Transcript of the Governor's media session

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Following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, after visiting the MTRC this (Friday) afternoon:

Governor: I'm very pleased to have another opportunity of seeing the work of what must by any standards be one of the most efficient railway systems in the world. I think we are lucky in Hong Kong to have such a fine public transport undertaking as the MTR.

I've been pleased today to be briefed about some of their ongoing refurbishing programme, to be briefed about the work they're doing to complete the airport railway, and it's been a pleasure as well to see the work they've been doing to improve their facilities for the disabled. As many of you will know, over the last two or three years, I've taken a particular interest in improving transport facilities for the disabled as well as employment opportunities, and I have to say that MTR has been in the forefront of efforts to improve their facilities in order to make it easier for people with a disability to travel as freely as possible around Hong Kong. They've done an excellent job and I think that's recognised by the groups that represent people with disabilities.

So I'm delighted to have been around with Jack So and his team today and it's a pleasure to ride on MTR again. I don't normally have perhaps so many cameras when I do it.

Question: Do you try to remember how many times you've been on the MTR ...?

Governor: With cameras? With cameras I think three, but you're not always with me when one of my favourite Saturday mornings I travel from Admiralty to Tsim Sha Tsui to the HMV shop. Then I come back and I used to be able to get a coffee at Star Ferry, but I can't do that any more cause the coffee shop has closed. But it's a very good trip across and costs me I think eight-fifty.

Question: What do you think of the quality of the air on your train journey just now?

Governor: The quality of the air. I thought the quality of the air on my train journey was pretty good. But I know it's an issue which is of concern to the management of MTR. They've got an inquiry as you know going on into the sixth of May incident at the moment, and as soon as that inquiry is completed, they'll be wanting to make the results known to the Legislative Council Transport Panel and to others. Like all the best managements, they recognise the importance of accountability to their public.

Question: ... justification to build the aids centre ... near the petitioners' homes ...?

Governor: As you know, the Administration has had a number of meetings with them, has explained the position to them, has tried to be as accommodating as possible. There're sometimes objections to the development of health facilities, of polyclinics and so on. But if we want improved health care for people in Hong Kong, then we have to invest in the facilities that are required in order to improve the services.

Question: That means the Government is not going to listen to ...?

Governor: That means has listened to them, I would guess, as much as it has ever listened to anybody. But at the end of the day, the Government has to govern in the interest of the whole community.

Question: You did receive two letters from them ...?

Governor: Four, I think. But I'll be studying them when I get back to the office.

Question: What about the court case terminated in the High Court? Do you think anybody need to resign ...?

Governor: I think it was an incredibly distressing case. I read one or two of the newspaper editorials about the case this morning with very considerable sympathy. I think all of us feel profoundly distressed that a fourteen-year-old girl went through this awful experience. But at the end of the day, the case had to be adjourned, for reasons for which you've all familiar. I think we must all learn lesson from it. As you know, the Attorney has apologised to that reservation for what's happened. The DPP, the Director of Public Prosecution, has also made his views clear and has apologised. And I apologise on behalf of the whole Government and on behalf of anybody who might have been remotely responsible for what has been a very worrying experience for this girl. I hope that it doesn't affect her too profoundly and I hope that she'll be able to live, to get on with her life at some stage.

Question: Do you think that the prosecutor or AG needs to resign?

Governor: I'm not sure how that would help the young girl in question. But we've, without reservation, apologised for what's happened and I apologise myself without any hesitation at all for the totally unnecessary distress which this poor fourteen-year-old girl was caused.

Question: (inaudible)

Governor: Well, I don't know how often you come around with me. But on most of my trips there is a very considerable amount of contact with the public. And when you weren't able to be with me on my way into the yards, I stopped and talked to a crowd of about a hundred people who'd gathered there. I talked to them about the petitions they were giving me. But if you want to come out with me on my ... next Wednesday, you'll see me talking to lots of people, and I hope you'll show the pictures on your programme.

Question: How do you see MTR compares with the London underground?

Governor: I think without any doubt at all, but it is very considerably better, it's more comfortable, it's more efficient, it's faster. And I think it's probably cheaper as well. I used to use, first of all, the train I used most when I was commuting in London, was the northern line which had a reputation as the worst line in London. It was called the misery line. It was so uncomfortable, and I'd to travel on the misery line everyday. And I'm jolly glad that I don't have to travel on it today.

Question: Governor, as you know, more candidates have come up to compete for the Chief Executive (Designate) post..?

Governor: I don't think I can really comment on the candidates for Chief Executive (designate). All I can say is that whoever is eventually selected by the Selection Committee, when he or she travels on the MTR, will be travelling on an extremely efficient train. Okay, anything else?

Question: That candidate is too young for the post ... for he is three years younger ...

Governor: Well, whom am I to talk about at my advanced age to talk about other people's relative youth.

Question: Do you think that Anson should come up as well?

Governor: I, as you know, I have studiously avoided ever commenting on individual candidates. And now in order to satisfy our tall friend in the red tie on the right, I am going to go and talk to some people other than the press. Thank you very much.

End

AG's statement on discharge of incest trial jury

* * * * *

The Attorney General, Mr Jeremy Mathews, has reviewed the circumstances that led to the termination of the court hearing of evidence via television link in an incest trial in the High Court yesterday (Thursday).

The defendant in the case was charged with incest under Part VI of the Crimes Ordinance.

By an inadvertent omission, this Part of the ordinance was not added to the definition of the offence of sexual abuse when the Criminal Procedure Ordinance was amended last year to provide for giving of evidence via television link.

To correct this omission, an expanded definition of sexual abuse to include incest was presented to the Legislative Council, together with other amendments to the Criminal Procedure Ordinance.

The amendment Bill has not been passed by the Legislative Council. Unfortunately, this was not ascertained before application was made to the Court for the complainant to give her evidence via television link.

Mr Mathews regrets and apologises for the earlier drafting omission as well as the mistake which has led to the discharge of the jury in the incest trial.

He said: "The two incidents underscore the need for vigilance on the part of all staff in carrying out our duties. We should all keep in mind our heavy responsibilities to the community in exercising our professional duties."

End

Economic situation in 1996 1st quarter and updated forecasts

* * * * *

In the May update of the economic forecasts for 1996, the forecast growth rate in real terms of gross domestic product (GDP) is maintained at 5%, same as the forecast released in March.

Gradual recovery in consumer demand, revival in private sector building activity, and continued heavy investment in infrastructural projects are expected to render a stronger growth momentum in the domestic sector.

In addition, sustained robust growth is envisaged for exports of services. These should offset the more moderate growth forecast for exports of goods.

The forecast of consumer price inflation in 1996, as measured by the Consumer Price Index (A), is also kept unchanged from the March forecast, at 7.5%.

The scope for further moderation in inflation, while still available, will probably be smaller in the latter part of 1996, in the light of a gradual pick-up in economic activity over the course of the year and a rebound in the prices of some key commodities in the world market.

Nevertheless, labour resources are now relatively more abundant, and rentals are likely to remain broadly stable in the short term.

In the first quarter of 1996, the growth in exports of goods moderated further. But this was largely attributable to the particularly weak performance in March. Export performance returned to normal in April.

There should have been a further marked increase in exports of services, underpinned by a significant growth in the areas of tourism and professional services, as well as a continued albeit less rapid rise in transshipment and in other trade-related services.

Consumer spending seemed to be bottoming out in the first quarter, as reflected by the improvement in retail sales, the smaller decline in retained imports of consumer goods, and signs of a further increase in demand for consumer services.

There was some revival in private sector building activity, in line with the pick-up in the residential property market.

Concurrently, public sector building activity was bolstered by implementation of the public housing programme. Work on the major infrastructural projects was as intensive as ever, as the Airport Core Programme progressed towards its peak.

Labour market conditions continued to stabilise in recent months. The seasonally adjusted unemployment rate edged down to 3.2% and the underemployment rate to 2% in the first quarter, from 3.5% and 2.3% in the preceding quarter.

The growth in total employment accelerated, but this was outstripped by an even faster growth in total labour supply. For those in employment, work intensity was generally greater in the first quarter than a year earlier.

Along with the pick-up in activity in both the stock and property markets, sentiment in the local economy improved in recent months. Prices and turnover in the stock market were significantly higher in the first quarter than in the preceding quarter.

The residential property market continued to rebound, with more active trading and rises in price during the first quarter. Activity in the market for office space also showed some revival.

CPI(A) rose by an average of 6.5% in the first four months of 1996. This was much slower than the average increase of 8.7% recorded in 1995, and was also below the forecast increase of 7.5% for 1996 as a whole.

A continued easing in both domestically-generated inflationary pressures and imported inflation contributed to the recent trend of moderating inflation.

There was a further deceleration in export growth in the first quarter of 1996. Total exports of goods grew by about 5% in real terms, as compared to increases of 7% in the fourth quarter of last year and of 12% for 1995 as a whole.

While the strengthening of the US dollar and hence the Hong Kong dollar in the latter part of last year continued to affect export competitiveness in the more recent months, consumer demand in some of the overseas markets also remained slack in the early part of this year.

Moreover, the strong export growth recorded in the first quarter of last year gave a high base of comparison for the first quarter of this year. The particularly weak export performance in March aggravated the situation. Nevertheless, the latest trade statistics show that export performance has returned to normal in April.

Analysed by major market, total exports to Japan continued to show the fastest growth, by about 25% in real terms in the first quarter of 1996 over a year earlier. Total exports to the United Kingdom also showed a notable increase of about 13% in real terms in the first quarter.

The growth in total exports to China and Germany however moderated, to about 8% and 2% respectively in real terms in the first quarter, from 11% and 3% in the preceding quarter.

But the corresponding growth rates in the first two months of 1996 were much faster, both at 13% in real terms. Total exports to the United States fell by about 7% in real terms in the first quarter. There was nevertheless an increase of 1% in real terms in January and February combined.

The growth in imports likewise slowed. Imports of goods rose by about 5% in real terms in the first quarter over a year earlier, in contrast to increases of 8% in the fourth quarter of last year and of 14% for 1995 as a whole.

Underlying this was a further sharp slow-down in retained imports, to only about 1% in real terms in the first quarter, following increases of 5% in the fourth quarter of last year and of 13% for 1995 as a whole.

The visible trade deficit widened to \$40 billion or 11.5% of the value of imports in the first quarter of this year, from \$36 billion or 10.9% in the same quarter last year. This was mainly attributable to the particularly weak export performance in March.

The visible trade deficit in fact narrowed to \$16 billion in the first two months of 1996, from \$19 billion in the same period last year, and this was partly due to a smaller deterioration in the terms of trade along with the rebound in the US dollar in the latter part of last year, and partly due to a slower intake of a variety of imports for local use. The visible trade deficit similarly narrowed in April, as compared to the same month last year.

The slack consumer spending observed for nearly one and a half years seemed to be bottoming out. Both the volume of retail sales and retained imports of consumer goods showed smaller declines in the first quarter of 1996 than in the preceding quarters.

While the sales of clothing and footwear and of other consumer goods continued to show real growth in March, the sales of motor vehicles picked up to a 9% increase in volume, the first rebound since July 1994. Spending on consumer services also appeared to have risen further.

Investment spending should have attained a continued notable growth in the first quarter of 1996. Work on the major infrastructural projects was highly intensive, particularly as the Airport Core Programme progressed towards its peak.

Along with the pick-up in the residential property market, there was some revival in private sector building activity. Output from the public housing programme also increased.

Meanwhile, in line with the steady rise in building and construction activity and the on-going process of automation and mechanisation, there should have been a further rise in expenditure on machinery and equipment.

Labour market conditions continued to stabilise in recent months. The total labour force and total employment both showed accelerated growth, at 5.5% and 5.1% respectively, in the first quarter of 1996 over a year earlier. But as labour supply continued to outstrip demand, the unemployment rate stayed at a relatively high level.

Nevertheless, both the seasonally adjusted unemployment rate and the underemployment rate had edged lower, to 3.2% and 2% respectively in the first quarter of 1996, from 3.5% and 2.3% in the preceding quarter. Manpower utilisation was intensive in most of the service sectors.

Services and construction continued to provide the bulk of additional employment in recent months.

Analysed by major service sector, employment in water transport, air transport and related services had the fastest increase in December 1995 over a year earlier, followed by the wholesale and import/export trades, finance and business services, and community, social and personal services.

On the other hand, employment in the manufacturing sector, the retail trade, and restaurants and hotels remained on a downtrend. In the construction sector, employment at sites had been on a sustained strong increase since the latter part of 1994.

Amidst a more abundant labour supply, relatively fewer vacancies were recorded in overall terms, although in certain more skilled job categories some shortages were still apparent.

Earnings in the manufacturing and construction sectors and in most of the major service sectors surveyed showed continued increases both in money terms and in real terms in the fourth quarter of 1995 over a year earlier. This generally corresponded to a higher work intensity among those in employment.

Sentiment in the residential property market showed a notable improvement in the first quarter of 1996. The cumulative large decline in flat prices for one and a half years, the cuts in interest rate, and the offer of more attractive mortgage terms by the banks all helped flat buyers' affordability.

The favourable land auction results in March also signalled a better market sentiment. The intensive sales promotion programmes launched by developers aroused much interest.

During the first quarter, response to primary sales of flats by developers was enthusiastic, despite higher prices being fetched in successive batches of sale. Activity and flat prices in the secondary market likewise picked up.

At the end of March 1996, prices in selected major residential developments rebounded by around 13% from the low in October 1995, although they were still about 17% lower than the peak in April 1994. Rentals for new leases of flats were generally stable, except those for large flats which probably showed a modest decline.

On commercial property, there was increased trading in some of the more prominent office premises in recent months. The rental market for office space was however still undergoing correction, with continued easing in rentals in the secondary areas.

Sales and leasing activity in shopping space showed a mixed performance, with premises in the prime urban areas faring better than those in the secondary areas.

Demand for industrial property continued to be dampened by the progressive relocation of production processes to China. Coupled with a large supply of industrial-cum-office premises in the pipeline, prices for flatted factory premises came under further downward pressures, while rentals remained soft.

Consumer price inflation remained on a generally moderating trend. The Consumer Price Index (A) rose by 6.4% in the first quarter of 1996 over a year earlier, the slowest quarterly increase since the third quarter of 1987. This followed increases of 9.3% in the first half of 1995 and 8.1% in the second half.

CPI(B) and Hang Seng CPI showed broadly similar trends. Taking the three indices together, the Composite CPI decelerated to a 7.1% increase in the first quarter of this year, from 9.7% in the first half and 8.6% in the second half of last year.

Domestically-generated inflationary pressures continued to moderate, as the earlier consolidation in the labour and the property markets resulted in less rapid increases in wages and rentals. Imported inflation was also alleviating, helped by the stronger US dollar and lower inflation in China.

On a year-on-year comparison, the rates of increase in world commodity and product prices were still generally receding.

During the first quarter of 1996, the market exchange rate of the Hong Kong dollar against the US dollar remained stable and continued to stay on the strong side of the linked rate of HK\$7.8 to US\$1.

The market exchange rate moved within a narrow range of 7.72-7.74 throughout the first quarter, before closing the quarter at 7.734.

In line with the continued strengthening of the US dollar against most of the other currencies, the trade-weighted Effective Exchange Rate Index of the Hong Kong dollar appreciated by 1% during the first quarter, to 123.7 at the end of March.

Hong Kong dollar interest rates softened further in February, following the cut in the US discount rate and the US Federal funds rate both by 25 basis points.

The savings deposit rate and the best lending rate of the banks were lowered by the same magnitude, to 3.75% and 8.5% respectively. Competition among banks for mortgage business led to some further cuts in the mortgage rate.

Hong Kong dollar deposits showed a faster increase during the first quarter of 1996, while the growth in Hong Kong dollar loans also accelerated. The loan-to-deposit ratio registered a slight rebound during the first quarter.

Of the loans for use in Hong Kong, the increases for the major components were across-the-board. Loans to stockbrokers registered the fastest increase during the first quarter, followed by those for building, construction and property development, for residential mortgages, and for financing trade.

In line with regular practice, GDP and price forecasts for 1996 have been reviewed by individual component. The updated forecasts are summarised in the table annexed.

In the external sector, re-exports are forecast to grow by 12% in real terms in 1996, similar to the March forecast. Domestic exports, on the other hand, are forecast at zero growth in real terms in 1996, down from the earlier forecast of a 0.5% increase.

The negative exchange rate effect brought about by the stronger US dollar is expected to dissipate gradually. A better economic performance in the United States and the United Kingdom is envisaged for the latter part of the year, following the moderation over the course of last year.

In Germany, although there is little sign of economic recovery so far, the recent cuts in interest rate and the proposed tax reforms are expected to give some support to demand in due course. In Japan, the economy is picking up steadily.

China and other economies in East Asia are forecast to generally sustain a strong albeit slightly reduced growth. For China in particular, the substantial lowering in its import tariffs, coupled with rising income and greater propensity to spend amongst its residents, should lead to a continuing surge in its import demand in the months ahead.

Reflecting these market influences as well as the on-going shift in the pattern of exports, re-exports are expected to show a better performance for the rest of 1996. As to domestic exports, the downward adjustment made to the forecast primarily reflects the poor performance in the first quarter.

Taking re-exports and domestic exports together, the forecast growth rate in real terms of total exports of goods in 1996 is revised slightly downwards, from 10% to 9.8%.

The current export forecasts continue to assume that China's Most Favoured Nation trading status in the United States will be renewed, and that the present dispute between China and the United States over intellectual property rights (the US Special 301 issue) will be satisfactorily resolved.

The forecast growth rate in real terms of imports of goods is also revised slightly downwards, from 7.8% to 7.6%. The slower import growth is attributable to the envisaged slow-down in inventory build-up after the substantial accumulation over the past two years. This should help to narrow the visible trade deficit over the course of 1996.

Exports of services are forecast to grow by 10% in real terms, same as the March forecast. Tourism picked up strongly in the first quarter, and is expected to maintain its momentum for the rest of the year.

The growing intra-regional trade and other business links should lead to greater exports of financial services as well as professional and other business services. The trend of further structural shift in Hong Kong's trade from re-exports to transshipment and offshore merchanting which was witnessed more recently is expected to continue.

Moreover, the Government's initiatives on promotion of services should in due course help to expand the service sectors generally and exports of services in particular.

Reflecting largely the expected pick-up in local demand, imports of services are forecast to grow by 7.5% in real terms, slightly faster than the 7% growth in the March forecast.

In the domestic sector, the evidence that consumer spending has tended to bottom out in the first quarter, and that sentiment has clearly improved on the back of the pick-up in the stock and property markets and a more stable labour market situation, lends support to maintaining the earlier forecast of a 4% growth in private consumption expenditure in real terms.

A more balanced growth in spending on the range of consumer items, comprising not only a continued steady increase in purchases of non-durable goods and consumer services but also a return to positive growth in motor vehicle sales, is envisaged for the rest of the year.

The forecast growth rate in real terms of government consumption expenditure is also kept unchanged, at 5%.

On investment spending, for all components combined, gross domestic fixed capital formation is forecast to grow by 7.6% in real terms in 1996, faster than the growth of 6.1% in the March forecast.

Analysed by component, the forecast growth rate in real terms of private sector expenditure on building and construction is revised upwards to 2%, from the March forecast of -2%.

This reflects partly a better outlook for private sector building activity generally, and partly the work progressing for the franchises at the new airport. Renovation and interior decoration are also expected to revive, consistent with a more active property market.

For the same reason, transfer costs of land and buildings are forecast to increase more rapidly, by 15% in real terms in 1996, as compared to 5% in the March forecast. In line with increased building output in the private sector, real estate developers' margin is expected to show a smaller decline of 2% in real terms, as against a 6% decline in the March forecast.

Public sector expenditure on building and construction is expected to maintain a strong growth of 17% in real terms in 1996, same as the March forecast. Work on the major infrastructural projects, notably those under the Airport Core Programme, continues to accelerate. The public housing programme is also set to intensify further.

Taking the private and the public sectors together, the forecast growth rate in real terms of total expenditure on building and construction in 1996 is raised from 6.6% to 8.8%.

The forecast growth rate in real terms of expenditure on machinery and equipment in 1996 is maintained at 8.6%. Intensive work on the major infrastructural projects, revival in building activity generally, and the on-going trend of office automation and production mechanisation should continue to underpin investment spending on machinery and equipment.

Overall, the forecast growth rate in real terms of GDP for 1996 is maintained at 5%. For the rest of the year, a stronger growth momentum is envisaged for the domestic sector, complementing a steady growth in exports of both goods and services.

On inflation, CPI(A) is forecast to increase by an average of 7.5% in 1996, same as the March forecast. The average rate of increase in CPI(A) recorded for the first four months of 1996 was 6.5%. Thus prima facie, there appears to be scope for a downward adjustment in the forecast.

Domestically-generated inflationary pressures from labour cost and rentals are expected to remain relatively moderate. Imported inflation should also be contained in the short term, given the current strength of the US dollar and the lower inflation in China.

However, in anticipation of a gradual pick-up in economic activity over the course of 1996, and in view of the bottoming out in world commodity and product prices in recent months, the tendency for further moderation in inflation will probably be reduced in the latter part of the year. It is hence considered prudent to keep the forecast of consumer price inflation unchanged.

The First Quarter Economic Report 1996 is now on sale at \$30 per copy at the Government Publications Centre,, ground floor, Lower Block, Queensway Government Offices.

	Forecast for 1996 as released on 6.3.96 (%)	Current update as released on 31.5.96 (%)
<u>Growth rate in real terms:</u>		
Private Consumption Expenditure	4	4
Government Consumption Expenditure	5	5
Gross Domestic Fixed Capital Formation	6.1	7.6
Transfer costs of land and buildings	5	15
Building and construction	6.6	8.8
Private sector	-2	2
Public sector	17	17
Real estate developers' margin	-6	-2
Machinery and equipment	8.6	8.6
Private sector	6.5	6.5
Public sector	60	60
Total Exports of Goods	10.0	9.8
Domestic exports	0.5	0
Re-exports	12	12
Imports of Goods	7.8	7.6
Exports of Services	10	10
Imports of Services	7	7.5
Gross Domestic Product (GDP)	5	5
Per Capita GDP	2.8	2.8

Growth rate in money terms:

GDP	12	12
Per Capita GDP	10	10

Rate of increase in:

GDP Deflator	7	7
Domestic Demand Deflator	6.8	6.8
Consumer Price Index (A)	7.5	7.5

End

Scrapping incentive scheme invites application

* * * * *

The Transport Department today (Friday) announces that owners of old cars who wish to apply for the first registration tax (FRT) concession under the scrapping incentive scheme can make their applications from Monday (June 3).

The scheme was revealed by the Financial Secretary in his 96-97 Budget Speech to help improve air quality on the road by encouraging owners of private cars of 10 years old or more to scrap the vehicles and to replace them by new petrol-engine ones.

The incentive of the scheme is a reduction in FRT of 20 per cent of the tax payable or \$30,000, whichever is the lower, for the registration of the new replacement private car.

Applications for this scheme should be made to the Transport Department's Hong Kong Licensing Office on third floor, United Centre, 95 Queensway, Hong Kong, from June 3.

The eligibility criteria for the scheme are:

- * the manufacturing year of the private car to be scrapped must be 1986 or before;
- * the private car has to be scrapped and de-registered after June 3;
- * at the date of scrapping, the private car must have been owned by the same owner for at least 24 months beforehand, and also the car must have been continuously licensed in Hong Kong for 24 months immediately beforehand;
- * the new replacement private car under application for the first registration should not have been registered in Hong Kong or in any other countries; and
- * the registered owner of the new replacement car must also be the same person as that of the old car.

A Transport Department spokesman said those eligible car owners, if interested in the scheme, should make arrangement for scrapping their old cars with any of the privately-owned car scrapping centres or with the Transport Department's Abandoned Vehicle Surrender Centres by appointments at Chi Kiang Street, To Kwa Wan, or at Wong Chuk Yeung Street, Fo Tan.

Upon scrapping the old car, the owner should approach the Hong Kong Licensing Office to arrange for the de-registration of his old car and at the same time apply for a FRT concession entitlement certificate.

The entitlement can only be valid for six months from the date the old car was scrapped.

"Moreover, it is important to note that if you have been granted FRT concession under the scheme and you subsequently wish to sell your replacement private car within one year from the date of its registration, you must pay to the Hong Kong Government the FRT concession granted to you," the spokesman said.

A leaflet on how to apply for the first registration tax concession under the scrapping incentive scheme is now available free of charge at the four licensing offices:

- * Hong Kong Licensing Office on third floor, United Centre, 95 Queensway, Hong Kong;
- * Kowloon Licensing Office, on ninth floor, Park-in Commercial Centre, 56 Dundas Street, Kowloon;
- * Kwun Tong Licensing Office on fifth floor, Kowloon East Government Offices, 12 Lei Yue Mun Road, Kowloon;
- * Sha Tin Licensing Office on fifth floor, Citylink Plaza, Shatin Railway Station, Sha Tin.

Enquiries for the scheme can be made to Hong Kong Licensing Office on 2804 2637 or 2804 2638, or by fax to 2804 2599.

End

District Court Equal Opportunities Rules gazetted

* * * * *

The District Court Equal Opportunities Rules gazetted today (Friday) set out the procedures to be adopted in the District Court for hearing cases lodged under the Sex and Disability Discrimination ordinances.

The new rules provide for the keeping of an Equal Opportunities Register in which cases lodged under the two ordinances will be filed.

This will facilitate the establishment of a separate list in the District Court to ensure that cases filed in this Register are heard without delay.

In line with the spirit of providing an accessible channel of redress in sex and disability discrimination cases, the new rules allow persons who are neither legally qualified nor parties to an action to appear in and address the court in the proceedings.

As a result, members or employees of the Equal Opportunities Commission, office-bearers of a registered trade union, carers or relatives of the party concerned and so on may act on behalf of the party in such proceedings.

The new rules also empower the District Court to transfer to the Labour Tribunal actions which are beyond the jurisdiction of the Court but within the jurisdiction of the Tribunal.

An amendment has also been made to the Labour Tribunal (General) Rules to ensure that cases thus transferred will be dealt with in accordance with the provisions of the Labour Tribunal Ordinance.

The District Court Equal Opportunities Rules and the Labour Tribunal (General)(Amendment) Rules 1996 will be brought into operation upon the commencement of the Sex and Disability Discrimination ordinances.

End

Security services licence requirement to take effect

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The Security and Guarding Services Ordinance, which requires companies and individuals engaged in security work to hold licences and permits, will take effect tomorrow (Saturday), a spokesman for the Security and Guarding Services Industry Authority (SGSIA) said today (Friday).

As at 5 pm today, the Police Licensing Office have received 22,652 applications for security personnel permits. Some 5,568 permits were issued and 43 applications were rejected.

The Police will continue to accept applications for this type of permit after June 1.

As for watchman's permits which will no longer be issued from June 1, over 12,950 applications have been received since January and 12,088 permits have been issued.

In respect of the security company licence, 463 of the estimated 500 companies providing security service in Hong Kong have tendered their applications for a licence. Some 142 applications have been approved.

The Chairman of SGSIA, Mrs Miriam Lau, said she was pleased with the number of applications received.

"Although the ordinance will come into full operation tomorrow, we are aware that at the initial effective stage of the ordinance, members of the public will need time to fully understand the contents of the ordinance and adjust to its requirements.

"Therefore, the Police will adopt an understanding attitude during the first three months of enforcement, especially for those whose applications are being processed.

"Prosecution will not be taken against individuals and companies which have tendered their applications," she said.

"The general approach is to educate and advise, to be followed by warning action during these three months."

Mrs Lau reminded those who had not yet applied for the permits and licences to do so as soon as possible.

"We will continue to publicise the Ordinance after it has come into effect and will seek to enhance residents' awareness of the importance of security work through public education," she said.

End

More user-friendly environment for business

* * * * *

The Secretary for the Treasury, Mr K C Kwong said today (Friday) that the Government has taken further steps forward in creating a more user-friendly environment for business.

"We are focusing more on the business community's specific needs in order to enable this sector to remain competitive and continue to play its major role in generating the wealth that sustains the community as a whole," he said.

In his presentation to members of the Financial Executive Institute, Mr Kwong said the objectives of the Government's helping the business programme were to cut red tape, to eliminate over-regulation and unnecessary bureaucracy, to reduce the cost of compliance and enforcement, to transfer services out of the public sector to the business sector and to improve existing services or introduce new services.

He told the gathering that the Task Force on Helping Business which was formed in March and chaired by himself was making progress on various fronts.

"The Task Force is co-ordinating a series of pilot studies with the aim of testing different types of improvements on a service-wide, departmental and a project basis," he said.

Outlining the studies at the audio visual presentation, Mr Kwong said: "A strong study team has been formed within the Marine Department to look into its regulatory activities with the objectives of cutting red-tape and improving efficiency.

"Likewise, the Trade Department's study team is examining various licensing procedures to see if there are any unnecessary bureaucracy which can be eliminated.

"The Finance Branch in conjunction with several government departments, including the Treasury, Transport and Immigration departments are working together to study ways and means for improvements to their business transactions.

"The Task Force is also considering the use of the latest technology in improving services, for example, we are planning to put all public forms, about 5,000 on the Internet.

"We have also chosen land exchange as one of the area for a pilot study due to its complicated process.

"To establish a new business is not simple and with many government departments to be approached. Therefore, we are looking at the idea of 'one stop shop' business licence information centre which will provide all the information that the business community needs.

"At the same time, we are planning to consolidate our information and present them in a user-friendly format."

In conclusion, Mr Kwong said the Government was eager to work hand in hand with the business community towards creating an even more friendly environment within which business could continue to improve and prosper.

End

Revision of Immigration Department fees

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Fees for various documents and certificates issued by the Immigration Department will be revised with effect from July 15 this year, a government spokesman announced today (Friday).

The fees cover various services provided by the Immigration Department such as the issue of re-entry permits, seamen's travel documents, replacement identity cards and birth, death and marriage certificates.

There will be no increase in the fees for the issue of passports, certificates of identity and documents of identity.

The spokesman said the government's policy was to set fees based on full-cost recovery so that those receiving the services would pay for them and not the taxpayers. The fees were last increased in July 1995.

"A recent costing review has shown that most of the fees are lagging behind and the cost recovery rate is only 67 per cent overall," he said.

"However, to minimise the impact which the increases may have on the public, fee increases of nine per cent to 13 per cent are proposed for most services in this revision," he added.

The increases in dollar terms are small, mostly ranging from \$5 to \$30 for services under the Immigration Ordinance and Registration of Persons Ordinance, and mostly below \$50 for services relating to registration of births, deaths and marriages.

The spokesman said even after the fee revision, the department would only be able to recover about 71 per cent of the total cost for these services.

Fee increases which require the approval of the Legislative Council by resolution will be submitted to LegCo Members for consideration on June 26.

End

Marine parks and reserves regulation gazetted

* * * * *

The Marine Parks and Marine Reserves Regulation made under the Marine Parks Ordinance was gazetted today (Friday).

The regulation, which provides for the management and control of marine parks and reserves as well as to prohibit or control certain activities in these areas, will become effective on July 15.

An Agriculture and Fisheries Department spokesman said under the regulation, certain activities will be prohibited inside a marine park or marine reserve.

The spokesman said: "Under the regulation, no one shall fish or hunt, remove any animal or plant or carry out water-skiing in a marine park or marine reserve.

"As regards fishing, it will be prohibited except for those activities which are considered to be sustainable and non-destructive conducted by bona fide fishermen or local residents. These activities would be controlled through a permit system.

"Furthermore, trawling, spearfishing, fishing with poison or dynamite or electric charges are prohibited."

Other activities banned in a marine park or marine reserve include: fish culture, damage to any shoreline feature, and operating power-driven vessels exceeding 10 knots.

The spokesman said certain activities including the mooring and anchoring of vessels, hawking, the display of signs, barbecue and camping, public meeting and other specified events such as sporting competition or fund-raising would be controlled through a permit system.

In addition, the Country and Marine Parks Authority may, in accordance with the regulation, prohibit or restrict the entry into, or movement within a marine park and marine reserve for the interests of good management.

End

Monetary statistics for April

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According to statistics published today (Friday) by the Hong Kong Monetary Authority, both Hong Kong dollar deposits and Hong Kong dollar loans rose in April.

Total deposits and total loans and advances also increased during the month. Table 1 summarises figures for April 1996 and the comparisons with earlier months.

Deposits

Hong Kong dollar deposits grew by 0.6% in April and foreign currency deposits also rose by 1.2%. As a result, total deposits increased by 0.9% during the month, after rising by 1.3% in March.

Within Hong Kong dollar deposits, demand deposits increased by 3.1% in April, reversing a 2.1% drop in the previous month. Time deposits rose by 1.1%, continuing the growth of 2.2% in March. On the other hand, savings deposits decreased by 1.4%, after a 1% increase in March.

The rise in foreign currency deposits was the result of a 3.7% increase in non-US dollar foreign currency deposits during the month which outweighed a 1.3% decline in US dollar deposits.

Foreign currency swap deposits dropped by a further 3.4% in April. Since the peak of November 1994, foreign currency swap deposits have fallen for 17 months in a row, leading to a cumulative decrease of 58.3%.

Loans and advances

Total loans and advances grew by 2.1% in April, reversing the 1.6% decline in March. The rise was broadly based, with loans for trade financing (including offshore trade) rising by 3.2%, other loans for use in Hong Kong increasing by 1.6%, and loans for use outside Hong Kong growing by 2.4% during the month.

Analysed by currency, both Hong Kong dollar loans and foreign currency loans increased during the month, by 1.3% and 2.6% respectively. As HK\$ loans grew faster than Hong Kong dollar deposits, the Hong Kong dollar loan-to-deposit ratio rose to 106.6% at the end of April, from 105.9% at the end of March.

Money supply

HK\$ M1 rose 0.5% in April as the rise in Hong Kong dollar demand deposits more than offset a 3.1% decrease in currency held by the public. HK\$ M2 and HK\$ M3 grew by 0.3% and 0.4% respectively during the month, following increases of 1.2% and 1.1% in March.

TABLE 1 : MONETARY STATISTICS - APRIL 1996

	(HK\$m)			
	Apr 1996	Earlier months (% change to Apr 1996)		
		Mar 1996	Jan 1996	Apr 1995
Money Supply				
M1 - HK\$	176,083	175,267 (0.5)	176,481 (-0.2)	165,071 (6.7)
Foreign currency	18,858	20,360 (-7.4)	19,351 (-2.5)	16,525 (14.1)
Total	194,941	195,627 (-0.4)	195,832 (-0.5)	181,596 (7.3)
M2 - HK\$@	1,319,328	1,314,764 (0.3)	1,271,678 (3.7)	1,156,111 (14.1)
Foreign currency*	1,037,254	1,022,961 (1.4)	999,996 (3.7)	960,422 (8.0)
Total	2,356,582	2,337,725 (0.8)	2,271,674 (3.7)	2,116,532 (11.3)
M3 - HK\$@	1,335,306	1,330,061 (0.4)	1,287,896 (3.7)	1,173,899 (13.7)
Foreign currency*	1,100,002	1,086,534 (1.2)	1,061,991 (3.6)	1,020,807 (7.8)
Total	2,435,308	2,416,595 (0.8)	2,349,887 (3.6)	2,194,706 (11.0)
Notes and coins in circulation	81,412	84,454 (-3.6)	82,403 (-1.2)	78,915 (3.2)
of which held by public	72,203	74,476 (-3.1)	70,949 (1.8)	69,914 (3.3)
Total Deposits				
Total Demand deposits	122,738	121,151 (1.3)	124,883 (-1.7)	111,682 (9.9)
Total Savings deposits	452,631	457,356 (-1.0)	440,940 (2.7)	393,522 (15.0)
Total Time deposits	1,718,108	1,694,071 (1.4)	1,646,698 (4.3)	1,561,615 (10.0)
With licensed banks	1,660,822	1,637,055 (1.5)	1,592,566 (4.3)	1,503,965 (10.4)
With restricted licence banks	40,700	40,338 (0.9)	37,119 (9.6)	37,428 (8.7)
With deposit-taking companies	16,585	16,678 (-0.6)	17,013 (-2.5)	20,223 (-18.0)
HK\$ deposits@	1,223,737	1,215,932 (0.6)	1,180,868 (3.6)	1,074,449 (13.9)
Demand deposits	103,880	100,791 (3.1)	105,532 (-1.6)	95,157 (9.2)
Savings deposits	315,625	320,018 (-1.4)	301,200 (4.8)	268,129 (17.7)
Time deposits@	804,232	795,123 (1.1)	774,135 (3.9)	711,163 (13.1)
US\$ deposits*	519,470	526,159 (-1.3)	513,632 (1.1)	508,305 (2.2)
Other foreign currency deposits*	550,271	530,487 (3.7)	518,021 (6.2)	484,066 (13.7)
Foreign currency deposits*	1,069,741	1,056,646 (1.2)	1,031,652 (3.7)	992,371 (7.8)
All deposits	2,293,478	2,272,578 (0.9)	2,212,520 (3.7)	2,066,820 (11.0)
Foreign currency swap deposits	43,408	44,948 (-3.4)	47,849 (-9.3)	67,075 (-35.3)
Total Loans and advances				
Loans for use in H.K.	1,653,648	1,624,564 (1.8)	1,596,250 (3.6)	1,474,340 (12.2)
To finance H.K.'s visible trade	165,103	159,612 (3.4)	157,225 (5.0)	147,073 (12.3)
To finance merchandising trade not touching H.K.	19,811	19,552 (1.3)	18,832 (5.2)	16,305 (21.5)
Other loans for use in H.K.	1,468,734	1,445,400 (1.6)	1,420,193 (3.4)	1,310,962 (12.0)
Loans for use outside H.K.#	2,126,519	2,076,126 (2.4)	2,088,997 (1.8)	2,221,877 (-4.3)
Other loans for use outside H.K.	2,086,227	2,036,554 (2.4)	2,050,772 (1.7)	2,179,179 (-4.3)
Other loans where the place of use is not known	40,292	39,572 (1.8)	38,225 (5.4)	42,698 (-5.6)
Loans in HK\$	1,303,916	1,287,807 (1.3)	1,259,584 (3.5)	1,161,967 (12.2)
Loans in foreign currencies	2,476,251	2,412,883 (2.6)	2,425,663 (2.1)	2,534,250 (-2.3)
Total loans and advances	3,780,167	3,700,691 (2.1)	3,685,247 (2.6)	3,696,217 (2.3)

* Adjusted to exclude foreign currency swap deposits.
 @ Adjusted to include foreign currency swap deposits.
 # Including those where place of usage is unknown

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

Licence fees for hotels and guesthouses to be revised

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The fees for the issuing and renewal of licences and certificates of exemption for hotels and guesthouses will be adjusted from August 1 to recover the cost of providing the licensing services under the Hotel and Guesthouse Accommodation Ordinance.

A spokesman for the Home Affairs Branch today (Friday) said the proposed fees are in line with the "user pays" principle and that they reflect the cost incurred in licensing hotels and guesthouses of different sizes.

"To avoid immediate sharp increases in licence fees for large hotels, we propose to revise the licence fees for establishments with more than 100 rooms under a three-year cost recovery programme," he said.

He pointed out that the proposed fee scale is also more equitable to the operators of guesthouses/holiday flats compared with the existing fee scale.

The proposed fee scale comprises ten bands, instead of the existing six. They are categorised according to the number of rooms.

Under the new scale, the annual licence fees will range from \$2,800 for establishments with five rooms or less to \$114,280 for hotels with over 500 rooms.

The spokesman said about 40 per cent of the establishments will pay less under the new scale.

"For example, a guesthouse/holiday flat of five rooms or less will pay \$2,800, compared to \$4,065 under the existing scale, a decrease of 31 per cent," he said.

"The increase in fees for those establishments with six to nine rooms, about 45 per cent of the establishments, will be moderate in absolute terms. For example, a nine-room guesthouse pays \$4,065 under the existing scale, compared to \$5,360 under the proposed scale.

"The increase in fees for the remaining 15 per cent of the establishments, mostly hotels in the upper bands, will be greater but gradual.

"The proposed fee for establishments with more than 100 rooms aims to recover about 50 per cent of the costs in the first phase of the three-year cost recovery programme."

As to the issue or renewal of a certificate of exemption, the fee will be increased by nine per cent from \$720 to \$785.

The spokesman noted that the proposed fee revision will only have a very mild impact on the operating costs of hotels and guesthouses. It is estimated that the share of licence fees in the operating costs will increase slightly from 0.06 per cent to 0.09 per cent.

"Under the new scale, there is no question of the hotel industry subsidising the guesthouse industry or vice versa," he added.

Details of the new fee scale are set out in the Hotel and Guesthouse Accommodation (Fees) (Amendment) Regulation 1996, which was gazetted today.

End

Re-integrate disabled into community

* * * * *

The basic objective of rehabilitation services is to develop the potentials of all persons and to enable them to work and live as independently as possible in the community, the Director of Social Welfare, Mr Ian Strachan, said today (Friday).

Speaking at the opening ceremony of the Shau Kei Wan Half-way House of the Society for the Rehabilitation of Offenders, Mr Strachan said integration of the disabled including the ex-mentally ill into the community was the corner-stone and ultimate goal of rehabilitation policies in Hong Kong.

"To achieve this goal, the Government with the support of non-governmental organisations (NGOs) is rapidly expanding services to promote and establish community rehabilitation services, such as sheltered employment and residential facilities to assist the disabled in their re-integration into community life.

"A half-way house provides care, supervision, support and counselling services for the discharged mental patients who due to various reasons require transitional care and re-adjustment prior to re-entering normal life in Hong Kong," Mr Strachan said.

He said the Government at present funded a total of 25 half-way houses with 937 places operated by NGOs and there were also expanded supported employment placements provided to assist them to re-integrate into the community after their hospitalisation or discharge.

To enable the re-integration of the ex-mentally ill in the community, Mr Strachan said acceptance of the local residents was of paramount importance as their rejection would reverse the effect of rehabilitation.

"With the introduction of anti-discrimination legislation in 1995, there is more legal production of disabled persons from discrimination.

"However, to eliminate bias and prejudice fundamentally, public education on rehabilitation is essential," he said.

Noting that public educational programmes would be continued, Mr Strachan said the Government had also enlisted contributions from experts in public relations and communication skills.

"With all these efforts, I hope that the community as a whole can become more positive and receptive to people with a mental illness or other disabilities.

"In fact, as a result of many educational and promotional efforts, the public's attitude towards the mental patients is positive.

"I am sure such support not only contributes towards the success of rehabilitation services, but fosters the caring attitude which will bring stability and harmony in the community," he added.

End

Interest rate on tax reserve certificates revised

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As from June 1, the new annual rate of interest payable on tax reserve certificates will be reduced to 4.92 per cent as against the current rate of 5.28 per cent, it is published in the Government Gazette today (Friday).

Interest on the certificates is calculated in monthly steps and the new rate will be \$0.41 per month per \$100. Simple interest will be credited as before in respect of complete months between purchase and surrender in payment of tax.

Interest is only credited when certificates are used to pay tax and no interest is due where the principal value of a certificate is repaid to the holders of such certificates.

The new rate will apply to all certificates issued on or after June 1.

Certificates which were issued before that day will continue to earn interest at the rates prevailing on their respective issue dates as follows but always subject to the general rule that interest ceases to accrue after 36 complete months:

- 3.00% per annum for certificates issued on or after July 8, 1992, and before March 30, 1994;
- 3.84% per annum for certificates issued on or after March 30, 1994, and before May 25, 1994;
- 4.56% per annum for certificates issued on or after May 25, 1994, and before August 24, 1994;
- 5.04% per annum for certificates issued on or after August 24, 1994 and before Dec 4, 1995;
- 5.64% per annum for certificates issued on or after Dec 4, 1995 and before March 4, 1996;
- 5.28% per annum for certificates issued on or after March 4, 1996 and before June 1, 1996; and
- 4.92% per annum for certificates issued on or after June 1, 1996, until further notice.

End

Rescue exercise to test efficiency

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An aircraft crash and rescue exercise will be held at the Hong Kong International Airport in the early hours of Sunday (June 2) to provide continuation training and familiarisation in rescue techniques for all parties which would be involved in such operation.

The exercise will be organised and participated by the Civil Aviation Department and will involve the Fire Services Department, Royal Hong Kong Police Force, Department of Health, Auxiliary Medical Services, Civil Aid Services, Hospital Authority, Immigration Department, Customs and Excise Department, the Information Services Department and airlines.

A spokesman for the Civil Aviation Department said there would be deployment of emergency services on the ground, but inconvenience to the public would be kept to a minimum during the exercise.

End

21-Gun Salute to mark anniversary of Queen's coronation

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On Monday (June 3) the Royal Navy will mark the anniversary of Her Majesty Queen Elizabeth II's coronation with a 21-Gun Salute, to be fired from HMS Peacock at precisely noon, as she sails through Hong Kong Harbour.

Since HMS Tamar moved from Prince of Wales Barracks to Stonecutters Island in 1993, Salutes have been fired from a site on the south shore of that island. However, the site was unsatisfactory because it was invisible to the public and it has since been enveloped by preparatory work for the new naval base for the PLA Navy.

New saluting cannon were, therefore, brought out from the UK so that Gun Salutes can be fired from a sea-going warships, in the full view of much of the city.

Media representatives wishing to cover the Gun Salute on Monday are advised that the salute can best be witnessed from the waterfront, Queen's Pier, Central.

End

Annual industries surveys to be conducted

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The Industry Department is conducting three annual surveys to collect information on Hong Kong's manufacturing environment, external investment in local manufacturing industries and regional representation by overseas companies in the territory.

The Survey of Hong Kong's Manufacturing Environment, the seventh to be conducted by the department, aims to ascertain manufacturers' views on Hong Kong's investment environment and how they see their business prospects.

It will cover some 3,000 manufacturing establishments in the territory. The selected industries include clothing, electronics, textiles, printing, watches and clocks, food and beverage, metal products, plastics, jewellery, industrial machinery, packaging products, chemical, toy, and photographic goods.

Targeting at some 1,400 companies engaging in manufacturing industries and containing investment from outside Hong Kong, the Survey of External Investment in Hong Kong's Manufacturing Industries aims to ascertain the value of external investment in Hong Kong's manufacturing industries at the end of 1995.

"Information on the source countries for investment and its distribution among the manufacturing industries will be collected," a spokesman of the department said.

He said the third survey was to identify the number of regional headquarters and regional offices established by overseas companies in Hong Kong and to seek the companies' views on the advantages and disadvantages of establishing a regional headquarters or regional office in Hong Kong.

The Survey of Regional Representation by Overseas Companies in Hong Kong will cover all overseas companies known to be operating in Hong Kong, which were about 11,000, he said.

Questionnaires of the three surveys have been sent to selected manufacturing establishments. Where necessary, survey officers of the Industry Department will visit the establishments between June and August to assist them in completing the questionnaires.

"Since the information to be collected from these surveys will be useful to the Government and the business community in evaluating the industrial development and investment environment of Hong Kong, we urge those establishments selected in the surveys to co-operate by completing the questionnaires," the spokesman said.

"Information on individual establishments collected from the surveys will be treated in the strictest confidence," he added.

End

784 VMs return home voluntarily this month

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Two hundred and fourteen Vietnamese migrants (VMs) returned to Vietnam this (Friday) morning on a voluntary repatriation flight.

This brings to 784 the number who have gone home voluntarily this month (May) and, together with the 607 VMs repatriated under the Orderly Repatriation Programme since May 14, brings the total monthly figure to 1,391.

So far this year, 2,376 VMs have returned home under the Voluntary Repatriation Programme organised by the UNHCR. The number of voluntary returnees for last year is 1,673.

The Refugee Co-ordinator, Mr Brian Bresnihan, expressed satisfaction with the May figures.

"This is the highest monthly repatriation figure since January 1994. We are obviously pleased with this achievement but hope that more VMs opt to take the voluntary route in the months ahead," he said.

In March of this year, the seventh meeting of the Steering Committee of the Comprehensive Plan of Action reaffirmed that the only viable option for the non-refugees in the camps of the region was return to Vietnam.

"The Government is committed to an early resolution of the VM problem and sincerely hopes that our camp population will conclude for themselves that they are wasting their lives in detention and their only future lies in Vietnam," he said.

End

Board amends Fanling/Sheung Shui Outline Zoning Plan

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The Town Planning Board today (Friday) announced amendments to the draft Fanling/Sheung Shui Outline Zoning Plan.

A major amendment is the rezoning of about 4.5 hectares of government land located at the north-western edge of Sheung Shui New Town from 'Undetermined' to 'Other Specified Uses' ('OU') annotated 'Abattoir' to facilitate the development of the Sheung Shui Slaughterhouse, a spokesman for the board said.

A government lot to the east of the existing Shek Wu Hui Sewage Treatment Works with an area of about 12.27 hectares, has been rezoned from 'Industrial' and 'OU' annotated 'Helipad' to 'OU' annotated 'Sewage Treatment Plant' to facilitate the upgrading of the sewage treatment works.

Other amendments include the rezoning of a 0.25-hectare site to the west of Ng Uk Tsuen from 'Government/Institution/Community' to 'Village Type Development' ('V') to facilitate the village expansion scheme and a piece of land of about 0.17 hectares to the south of the village from 'V' to 'Green Belt' to preserve the woodland there.

Sites of the existing Fanling and Sheung Shui Kowloon- Canton Railway Stations have also been rezoned from 'OU' annotated 'Kowloon-Canton Railway' to 'OU' annotated 'Kowloon-Canton Railway Station' to make provision for the future development of uses incidental to the railway stations such as bank and fast food shop.

The amendment plan (No S/FSS/6) is available for public inspection until June 21 during normal office hours at:

- * Planning Department
16th floor, Murray Building
Garden Road, Central, Hong Kong;
- * Sha Tin, Tai Po and North District Planning Office
ground floor, Sha Tin Government Offices
6 Tung Lo Wan Hill Road, Sha Tin, New Territories;
and
- * North District Office
third floor, North District Government Offices
3 Pik Fung Road, Fanling, New Territories.

Any person affected by the amendment plan may submit written objections to the Secretary of the Town Planning Board, c/o Planning Department, 13th floor, Murray Building, Garden Road, before June 21.

Copies of the draft plan are available for sale at the Survey and Mapping Office, Lands Department, 14th floor, Murray Building, Garden Road, Hong Kong and the Kowloon Map Sales Office, ground floor, 382 Nathan Road, Kowloon.

End

Prequalification tenders invited for water works

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The Water Supplies Department is inviting approved contractors to participate in a prequalification exercise for the construction of the Butterfly Valley Primary Service Reservoir at Lai Chi Kok, Kowloon.

The scope of works comprises the construction of a primary service reservoir at Butterfly Valley and all other associated civil, electrical and mechanical works including but not limited to site formation, access, pipeworks, chambers, tunnels and shafts, landscaping, control and monitoring works.

The service reservoir will have an initial stage I storage capacity of 40,000 cubic metres and will be subsequently developed in stages to its ultimate capacity of 200,000 cubic metres.

The ultimate service reservoir will comprise eight compartments. Only the stage I compartments will be built under this contract.

The site will be formed to cater for the ultimate capacity of the service reservoir. This will involve flattening of an existing knoll beside the Butterfly Valley by about 50 metres, involving an excavation of roughly one million cubic metres.

All surplus excavated materials have to be removed off site for disposal at locations to be arranged by the contractor.

Upon completion, the service reservoir will provide additional treatment and water transfer facilities for the metropolitan area and north eastern New Territories.

Those on the Approved Contractors for Public Works List I Group C (confirmed) for Waterworks or on the List II (confirmed) for Waterworks, are invited to apply for prequalification documents from Binnie Consultants Limited, 11th floor, New Town Tower, Pak Hok Ting Street, Sha Tin.

Completed prequalification applications should reach the Chief Engineer, Special Duties, Water Supplies Department, 46th floor, Immigration Tower, 7 Gloucester Road, Wan Chai, Hong Kong, not later than noon on June 21.

End

Tenders invited for two school projects

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The Architectural Services Department is inviting tenders for the construction of a practical school at Mei Lai Road in Sham Shui Po.

Works will include the construction of a five-storey school block comprising 15 classrooms, nine special rooms, an assembly hall, a covered playground, a car park, a basketball court and facilities for the disabled.

The school building will also consist of a boarding section which provide 45 boarding places and related facilities including living units, a dining room, a kitchen and a laundry room.

Slope stabilisation works between Castle Peak Road, Ching Cheung Road and the school site is also included in the contract.

Works will commence in September 1996 for completion in December 1997.

Meanwhile, the department is also calling tenders for the conversion and extension works including associated drainage to five existing aided schools.

Works will start in August 1996 for completion in July 1997.

Tender forms and further particulars of both projects can be obtained from the Architectural Services Department, 34th floor, Queensway Government Offices, 66 Queensway, Hong Kong.

Tender offers for the practical school and conversion and extension to aided schools will close at noon on June 28 and June 21 respectively.

End

Tenders invited for Tai Kok Tsui new park

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The Architectural Services Department is inviting tenders for the construction of Lok Kwan Street Park in Tai Kok Tsui.

The park, with a total site area of about 9,580 square metres, will have a Pai Lau, a lily pond, covered walkways, a children play area, a jogging path with fitness stations and some pavilions.

Works will start in August for completion in July 1997.

Tender forms and further particulars can be obtained from the Architectural Services Department, 34th floor, Queensway Government Offices, 66 Queensway, Hong Kong.

Tender offers will close at noon on June 21.

End

Construction of pier in Tsuen Wan

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The Civil Engineering Department (CED) is inviting tenders for the construction of a pier at Gemini Point in Tsuen Wan.

The project comprises the construction of a 31-metre long and 10-metre wide solid finger pier with a 26-metre long and four-metre wide catwalk, and the demolition of a small existing pier.

Upon completion, the pier will be used to provide berthing facility for patrol launches operating at the Ma Wan Marine Traffic Control Station.

Work is expected to commence in August this year and will take about 10 months to complete.

The works have been designed and the construction will be supervised by the Port Works Division of the Civil Engineering Office, CED.

Tender forms and further particulars of the project can be obtained from the Chief Engineer, Port Works Division, Civil Engineering Office, CED, fifth floor, Civil Engineering Building, 101 Princess Margaret Road, Ho Man Tin, Kowloon.

Tender offers for the project will close at noon on June 21.

End

Public open space in Wan Chai planned

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The Government intends to develop a public open space at Lun Fat Street in Wan Chai.

A government spokesman said today (Friday) that there had been an acute shortage of such space in the district and the project would improve the living environment.

To enable the works to be carried out, a notice was published in the Government Gazette today announcing plans to resume two lots of private land totalling 250.9 square metres at No 5 and 7 of Lun Fat Street.

"This will involve clearance of buildings erected on these two lots as well as Government properties in the vicinity.

"Rehousing together with ex-gratia allowances will be available to eligible occupiers in accordance with current policy," the spokesman said.

Plans can be seen at the Central and Western District Office, Public Enquiry Service Centre, ground floor, Harbour Building, 38 Pier Road, Central, Hong Kong.

End

Drainage channel to reduce flooding in Sai Kung

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The Drainage Services Department proposes to construct a drainage channel with maintenance access to reduce flooding at Tseng Lan Shue in Sai Kung.

Works will involve the construction of a 3.5-metre wide and 1.5-metre deep rectangular channel measuring 180 metres in length with an associated vehicular access for future maintenance.

The works will bring about an improvement of the drainage system which will in turn reduce the risk of flooding to some 1,500 residents in the area.

Works are scheduled to start in August this year for completion by April 1998.

To enable the works to be carried out, a notice was published in the Government Gazette today (Friday) announcing plans to resume 25 private agricultural lots with a total area of 1,345.8 square metres.

Plans can be seen at the Sai Kung District Office, third floor, Sai Kung Government Offices, 34 Chun Man Street, Sai Kung.

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	2,480	0930	-522
Closing balance in the account	2,198	1000	-522
Change attributable to :		1100	-522
Money market activity	-522	1200	-522
LAF today	+240	1500	-522
		1600	-522

LAF rate 4.00% bid/6.00% offer TWI 124.3 *+0.0* 31.5.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.94	2 years	2805	6.30	100.28	6.24
1 month	5.02	3 years	3904	6.30	99.29	6.68
3 months	5.11	5 years	5103	6.75	98.11	7.35
6 months	5.23	7 years	7305	7.60	99.64	7.81
12 months	5.57	5 years	M502	7.30	99.60	7.54

Total turnover of EF bills and notes - \$10,140 million

Closed May 31, 1996

End