



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

THURSDAY, AUGUST 8, 1991

| <u>CONTENTS</u> | <u>PAGE NO.</u> |
|--|-----------------|
| ACTING GOVERNOR VISITS SWD REHAB ESTABLISHMENTS | 1 |
| WHITE BILL ON ORGANISED CRIME | 1 |
| MONETARY STATISTICS FOR JUNE 1991 | 5 |
| CITIBANK NOT IN DIFFICULTIES: SMA | 10 |
| CONSULTANCY AGREEMENTS FOR DETAILED DESIGN OF ROUTE 3 | 10 |
| THIRD EDITION OF "HK'S MANUFACTURING INDUSTRIES" PUBLISHED | 11 |
| MORE SECONDARY STUDENTS FOUND TO HAVE ABUSED DRUGS | 13 |
| MANAGEMENT CHANGE FOR VIETNAMESE DETENTION CENTRE | 15 |
| EXTENSION OF HAPPY VALLEY RACECOURSE | 16 |
| BAN ON SOUTH AFRICAN GOLD COINS, IRON AND STEEL IMPORTS WILL BE LIFTED | 16 |
| EDUCATION SUBSIDIES FOR NEEDY FARM/FISHING CHILDREN | 17 |
| 246 VM'S RETURNED | 17 |
| PERSONAL CORRESPONDENCE BY AIRMAIL ACCEPTED FOR IRAQ | 18 |
| FIVE NOMINATIONS RECEIVED TODAY FOR LEGCO ELECTIONS | 18 |
| HONG KONG GOVERNMENT EXCHANGE FUND MONEY MARKET OPERATIONS | 21 |

THURSDAY, AUGUST 8, 1991

ACTING GOVERNOR VISITS SWD REHAB ESTABLISHMENTS

* * * * *

THE ACTING GOVERNOR, SIR DAVID FORD, VISITED THE ABERDEEN REHABILITATION CENTRE (ARC) AND KAI CHI CHILDREN'S CENTRE (KCCC) THIS AFTERNOON (THURSDAY) TO FAMILIARISE HIMSELF WITH THE REHABILITATION SERVICES PROVIDED BY THE SOCIAL WELFARE DEPARTMENT.

ACCOMPANIED BY THE DIRECTOR OF SOCIAL WELFARE, MR M.D. CARTLAND, SIR DAVID FIRST TOURED THE ARC. HE WAS INFORMED THAT THE DEPARTMENT WAS IN THE PROCESS OF DRAWING UP PLANS TO REDEVELOP THE COMPLEX TO MAKE FURTHER USE OF THE SITE.

SIR DAVID, WHO WAS IMPRESSED BY THE SERVICES ALREADY BEING PROVIDED AT THE CENTRE, NOTED THAT THE REDEVELOPMENT PROGRAMME WOULD CATER FOR OTHER SERVICES THAT WERE IN GREAT DEMAND PARTICULARLY RESIDENTIAL SERVICE FOR THE ELDERLY AND DISABLED, INCLUDING THE SEVERELY MENTALLY HANDICAPPED.

THE CENTRE, AT PRESENT, HAS A TOTAL CAPACITY OF 132 DAY PLACES AND 172 RESIDENTIAL PLACES FOR DISABLED ADULTS, AGED 16 AND ABOVE.

SIR DAVID THEN MOVED ON TO VISIT THE KCCC AT THE ADJACENT BUILDING.

THE CENTRE PROVIDES PRIMARILY RESIDENTIAL CARE AND OTHER SOCIAL AND RELEVANT SERVICES FOR MENTALLY HANDICAPPED CHILDREN WHO ARE HOMELESS OR IN NEED OF SPECIAL SCHOOLING.

IT ALSO HELPS THE MENTALLY HANDICAPPED CHILDREN TO ACQUIRE SKILLS IN SELF-CARE, SOCIALISATION, AND COMMUNICATION TO ENABLE THEM TO ACHIEVE AT LEAST SOME DEGREE OF INDEPENDENCE IN THEIR DAILY LIVING ACTIVITIES.

THE KCCC HAS A CAPACITY OF 125 MODERATE GRADE MENTALLY HANDICAPPED CHILDREN AGED BETWEEN SIX AND 16.

- - - - 0 - - - -

WHITE BILL ON ORGANISED CRIME

* * * * *

PROPOSED LEGISLATION TO DEAL WITH ORGANISED CRIME WILL BE PUBLISHED IN THE GOVERNMENT GAZETTE TOMORROW (FRIDAY) IN THE FORM OF A WHITE BILL FOR PUBLIC CONSULTATION.

ANNOUNCING THIS TODAY (THURSDAY), A GOVERNMENT SPOKESMAN SAID IN VIEW OF THE IMPORTANCE OF THE MEASURES PROPOSED, THE PUBLIC WILL BE CONSULTED ON THEIR VIEWS BEFORE THE BILL IS INTRODUCED INTO THE LEGISLATIVE COUNCIL.

THE EXERCISE WILL BEGIN LATER THIS MONTH AND DETAILS WILL BE ANNOUNCED WHEN COPIES OF A CONSULTATION DOCUMENT ARE AVAILABLE.

THE ORGANISED

THE ORGANISED CRIME BILL 1991 CONTAINS A PACKAGE OF NEW OFFENCES AND TOUGHER PENALTIES TO TACKLE ORGANISED CRIME IN HONG KONG.

"PUBLIC VIEWS HAVE BEEN IN FAVOUR OF CHANGES TO THE LAW TO MAKE THE FIGHT AGAINST ORGANISED CRIME MORE EFFECTIVE, AND THE PACKAGE OF PROPOSALS HAS BEEN ENDORSED BY THE FIGHT CRIME COMMITTEE," THE SPOKESMAN SAID.

HE SAID THOSE INVOLVED IN ORGANISED CRIME USED BOTH LEGAL AND ILLEGAL MEANS TO OBTAIN FINANCIAL PROFIT AND CURRENT LAW WAS INADEQUATE FOR THE PURPOSE OF PROSECUTING THE PEOPLE WHO INFLUENCED OR CONTROLLED SYNDICATES.

AT PRESENT, CRIMINAL LAW DOES NOT READILY PERMIT THE PRESENTATION, DURING A TRIAL, OF A LINK BETWEEN AN INDIVIDUAL'S COMMISSION OF AN OFFENCE AND HIS MEMBERSHIP OF A SYNDICATE OR ASSOCIATION WITH RELATED CRIME ACTIVITY. EVEN IF SUCH A LINK CAN BE PROVED, IT WOULD NOT MEAN THAT THE OFFENCE CARRIES A HIGHER MAXIMUM PENALTY.

IN ADDITION, THE LAWS OF EVIDENCE AND THE RULES OF PROCEDURE DO NOT READILY PERMIT AT A TRIAL THE PROSECUTION OF A PATTERN OF ORGANISED CRIME ACTIVITY, PARTICULARLY WHERE THE CRIMES PERPETRATED ARE NOT LEGALLY SIMILAR OR DIRECTLY RELATED.

OTHER PROBLEMS INCLUDE THE DIFFICULTY FOR COURTS TO RELY ON THE EVIDENCE OF ACCOMPLICES, EVEN THOUGH THIS MAY BE THE MAIN OR ONLY EVIDENCE AVAILABLE, AND THE ABSENCE OF POWER TO CONFISCATE THE PROCEEDS OR PROFITS OF ORGANISED CRIME OTHER THAN FOR DEALING IN DANGEROUS DRUGS.

IN THE BILL, AN ORGANISED CRIME GROUP IS DEFINED AS A TRIAD SOCIETY OR A GROUP OF TWO OR MORE PEOPLE ASSOCIATED SOLELY OR PARTLY FOR THE PURPOSE OF ENGAGING REPEATEDLY IN ILLEGAL ACTIVITIES NORMALLY ASSOCIATED WITH ORGANISED CRIME SUCH AS ILLEGAL GAMBLING, PROSTITUTION, DRUG TRAFFICKING, EXTORTION AND BLACKMAIL.

A PERSON WILL BE PRESUMED TO BE A MEMBER OF AN ORGANISED CRIME GROUP IF HE HAS BEEN CONVICTED OF BEING A MEMBER OF A TRIAD SOCIETY. THERE WILL BE NO TIME LIMIT ON THE PRESUMPTION REGARDLESS OF WHETHER THE CONVICTION WAS BEFORE OR AFTER THE ENACTMENT OF THE BILL.

"A DEFENDANT MAY SUBMIT EVIDENCE TO PROVE THAT HE HAS SEVERED HIS LINK WITH THE ORGANISED CRIME GROUP," THE SPOKESMAN SAID, "AND IT WILL BE FOR THE COURT TO TAKE INTO ACCOUNT THE TIME DIFFERENCE BETWEEN THE PERSON'S CONVICTION OF BEING A TRIAD MEMBER AND THE ALLEGED MEMBERSHIP OF AN ORGANISED CRIME GROUP IN DECIDING WHETHER THE PRESUMPTION CAN BE REBUTTED."

THE BILL CREATES A NUMBER OF NEW OFFENCES, WHICH ARE RELATED TO THE COMMISSION OF CRIMES IN FURTHERING THE ACTIVITIES OF AN ORGANISED CRIME GROUP.

THE RELEVANT CRIMES ARE ALREADY OFFENCES UNDER VARIOUS ORDINANCES. THEY RANGE FROM KIDNAPPING, SMUGGLING, ROBBERY AND ASSAULT TO FALSE ACCOUNTING, HANDLING STOLEN GOODS, AND CONSPIRACY TO PERVERT THE COURSE OF JUSTICE.

THE FIRST THREE MAJOR OFFENCES ARE COMMITTING ONE OF THESE CRIMES WHILE BEING A MEMBER OF AN ORGANISED CRIME GROUP, CONSPIRING WITH ANOTHER PERSON TO COMMIT ONE OF THESE CRIMES KNOWING OR HAVING REASONABLE GROUNDS TO BELIEVE THAT THE PERSON IS A MEMBER OF AN ORGANISED CRIME GROUP, AND AIDING OR PROCURING THE COMMISSION OF A CONSPIRACY TO COMMIT SUCH A CRIME BY A MEMBER OF AN ORGANISED CRIME GROUP.

THE PENALTY FOR THESE NEW OFFENCES WILL BE DOUBLE THE MAXIMUM PERIOD OF IMPRISONMENT FOR OFFENCES COVERED BY EXISTING ORDINANCES BUT WHICH DO NOT INCLUDE A CONNECTION WITH AN ORGANISED CRIME GROUP.

"THE NEW OFFENCES ARE, IN FACT, AGGRAVATED VERSIONS OF EXISTING OFFENCES AND ARE MORE THREATENING TO SOCIETY," THE SPOKESMAN SAID.

"IN ADDITION TO REFLECTING THE GRAVITY OF THESE OFFENCES, THE HEAVIER PENALTIES ARE NECESSARY TO DETER PEOPLE FROM GETTING INVOLVED IN ORGANISED CRIME AND TO PUNISH THOSE WHO DO."

AS A FURTHER DETERRENT, THE BILL PROVIDES FOR A MAXIMUM FINE OF \$10 MILLION AND LIFE IMPRISONMENT FOR A FOURTH NEW OFFENCE OF REPEATEDLY COMMITTING THE AGGRAVATED CRIMES, ON THREE OR MORE OCCASIONS.

THE FIFTH OFFENCE RELATES TO MONEY LAUNDERING, WHICH WOULD BE PUNISHABLE BY A MAXIMUM PENALTY OF A \$5 MILLION FINE AND 14 YEARS IMPRISONMENT ON INDICTMENT OR A \$500,000 FINE AND THREE YEARS IMPRISONMENT ON SUMMARY CONVICTION.

THE SPOKESMAN SAID THIS OFFENCE WAS CREATED TO DETER PEOPLE, INCLUDING PROFESSIONAL INVESTMENT ADVISERS, FROM GETTING INVOLVED IN LAUNDERING MONEY OR OTHER PROPERTY FOR MEMBERS OF AN ORGANISED CRIME GROUP.

THE PROCEEDS NEED NOT NECESSARILY COME FROM AN OFFENCE UNDER THE BILL AND THEY CAN RELATE TO ANY OFFENCE COMMITTED BEFORE OR AFTER THE ENACTMENT OF THE PROPOSED ORDINANCE.

HOWEVER, THE PROSECUTION MUST SHOW THAT THE DEFENDANT KNEW OR HAD REASONABLE GROUNDS TO BELIEVE THAT THE PERSON BENEFITTING FROM THE ARRANGEMENT WAS A MEMBER OF AN ORGANISED CRIME GROUP.

IN ADDITION TO IMPOSING FINES AND IMPRISONMENT, THE COURTS WOULD BE EMPOWERED TO DEPRIVE OFFENDERS OF THEIR BENEFITS FROM CRIME.

THE AMOUNT OF THE CONFISCATION ORDER WILL BE BASED ON THE COURT'S ASSESSMENT OF THE BENEFIT FROM CRIMINAL CONDUCT GAINED BY THE DEFENDANT.

THE COURT MAY ASSUME THAT THESE BENEFITS INCLUDE ANY PROPERTY EITHER HELD BY THE DEFENDANT AT ANY TIME SINCE HIS CONVICTION OR TRANSFERRED TO HIM DURING A SIX-YEAR PERIOD BEFORE THE PROCEEDINGS BEGAN.

SIX YEARS IS CURRENTLY THE TIME LIMIT WITHIN WHICH MOST CIVIL ACTIONS MUST BE INSTITUTED.

TO AID IN THE INVESTIGATION OF ORGANISED CRIME, THE BILL EMPOWERS THE COURTS TO ORDER A PERSON IN POSSESSION OF PARTICULAR MATERIAL TO ALLOW INVESTIGATORS TO EXAMINE OR TAKE IT AWAY AND TO ISSUE WARRANTS FOR INVESTIGATORS TO ENTER AND SEARCH PREMISES AND TO SEIZE EVIDENCE.

THE PENALTY FOR HINDERING OR OBSTRUCTING OFFICERS EXECUTING A WARRANT WOULD BE A MAXIMUM \$250,000 FINE AND TWO YEARS IMPRISONMENT ON INDICTMENT OR A \$50,000 FINE AND SIX MONTHS IMPRISONMENT ON SUMMARY CONVICTION.

COMMENTING ON EXISTING PROBLEMS RELATING TO THE CORROBORATION OF EVIDENCE WHEN IT IS GIVEN BY ACCOMPLICES, THE SPOKESMAN SAID THE GOVERNMENT WOULD GIVE THIS MATTER FURTHER CONSIDERATION BEFORE DECIDING WHETHER TO MAKE APPROPRIATE CHANGES TO THE LAW.

IT IS COMMON FOR ACCOMPLICES IN CRIME TO PLEAD GUILTY AND GIVE EVIDENCE IN THE HOPE THAT THEY WILL RECEIVE A REDUCED SENTENCE. IN SOME CASES, THE WITNESSES MAY ALSO BE GIVEN IMMUNITY FROM PROSECUTION ON CONDITION THAT THEY GIVE FULL AND TRUE EVIDENCE.

"AS THERE IS CLEARLY A RISK THAT THE EVIDENCE OF AN ACCOMPLICE MAY BE TAINTED BY AN IMPROPER MOTIVE, THE COURTS HAVE DEVELOPED A RULE THAT THE JUDGE MUST ISSUE A WARNING AGAINST ACTING ON UNCORROBORATED EVIDENCE," THE SPOKESMAN EXPLAINED.

"THE NATURE OF THE WARNING AND ITS APPLICATION HAVE BECOME EXTREMELY COMPLICATED AND THE LAW AND PRACTICE HAVE BEEN CRITICISED WIDELY.

"IN ENGLAND, THE LAW IS UNDER EXAMINATION BY THE LAW COMMISSION AND IN OTHER JURISDICTIONS SIMILAR TO HONG KONG, THE RULE HAS BEEN ABANDONED IN FAVOUR OF A SIMPLER WARNING GIVEN BY THE JUDGE," HE ADDED.

IT HAS BEEN PROPOSED THAT THE PRESENT RULE SHOULD BE REPLACED BY AN OBLIGATION BY THE JUDGE TO WARN HIMSELF OR THE JURY TO TREAT ACCOMPLICE EVIDENCE WITH CAUTION.

THE SPOKESMAN SAID BECAUSE OF THE CONTROVERSIAL NATURE OF THE RULE OF CORROBORATION, THE PROPOSAL HAS NOT BEEN INCLUDED IN THE WHITE BILL.

"HOWEVER, REFERENCE IS MADE TO IT IN THE CONSULTATION DOCUMENT TO INVITE FEEDBACK FROM THE GENERAL PUBLIC AND THE LEGAL PROFESSION TO HELP THE GOVERNMENT DECIDE HOW THE PROPOSAL SHOULD BEST BE FOLLOWED UP," HE SAID.

THE GOVERNMENT IS ALSO SEEKING THE PUBLIC'S VIEWS ON EXISTING RULES WHICH REGULATE AND PRESCRIBE THE BASIC FORM OF INDICTMENT AND THE MANNER IN WHICH CASES ARE TO BE PRESENTED.

THE INDICTMENT RULES PROVIDE FOR CHARGES FOR ANY OFFENCES TO BE JOINED IN THE SAME INDICTMENT IF THOSE CHARGES ARE FOUND ON THE SAME FACTS.

HOWEVER, A JUDGE HAS THE DISCRETION TO SEVER COUNTS IF HE CONSIDERS THIS TO BE IN THE INTEREST OF JUSTICE.

THIS COULD BE DONE ON THE GROUNDS THAT THE INCLUSION OF CERTAIN COUNTS ON AN INDICTMENT MAY PREJUDICE THE ACCUSED, MAKE THE CASE OVER COMPLICATED OR PROLONG PROCEEDINGS UNNECESSARILY.

"TO ENSURE THE MAXIMUM IMPACT OF THE LEGISLATIVE PROPOSALS IN THE BILL, IT MAY BE NECESSARY TO SEEK AMENDMENTS TO THE INDICTMENT RULES AND THE PRESENT PRACTICE DIRECTIONS GOVERNING JOINDER OF CONSPIRACY CHARGES WITH ASSOCIATED SUBSTANTIVE ALLEGATIONS," THE SPOKESMAN SAID.

- - - - 0 - - - -

MONETARY STATISTICS FOR JUNE 1991

* * * * *

HONG KONG DOLLAR DEPOSITS WITH AUTHORISED INSTITUTIONS AND THE BROADER DEFINITIONS OF HONG KONG DOLLAR MONEY SUPPLY INCREASED DURING JUNE, ACCORDING TO STATISTICS PUBLISHED TODAY (THURSDAY) BY THE MONETARY AFFAIRS BRANCH.

ON THE OTHER HAND, HONG KONG DOLLAR LOANS AND ADVANCES RECORDED A SMALLER INCREASE IN JUNE COMPARED WITH MAY.

DEPOSITS

HONG KONG DOLLAR DEPOSITS WITH AUTHORISED INSTITUTIONS, ADJUSTED TO INCLUDE SWAP DEPOSITS, GREW BY 2.2% IN JUNE, FOLLOWING AN INCREASE OF 1.2% IN APRIL AND A ZERO GROWTH IN MAY.

OF THESE DEPOSITS, DEMAND DEPOSITS FELL BY 1.9% WHILE SAVINGS DEPOSITS AND TIME DEPOSITS ROSE BY 1.4% AND 3.3% RESPECTIVELY IN JUNE. COMPARED WITH A YEAR AGO, TOTAL HONG KONG DOLLAR DEPOSITS GREW BY 10.3%.

FOREIGN CURRENCY DEPOSITS WITH AUTHORISED INSTITUTIONS DROPPED BY 0.6% IN JUNE, AFTER AN INCREASE OF 0.6% IN APRIL AND A DECREASE OF 0.6% IN MAY.

AMONG THESE DEPOSITS, US DOLLAR DEPOSITS AND NON-US DOLLAR DEPOSITS DECLINED BY 0.3% AND 0.8% RESPECTIVELY IN JUNE.

OVER THE YEAR, TOTAL FOREIGN CURRENCY DEPOSITS INCREASED BY 18.0%.

DURING JUNE, DEPOSITS OF ALL CURRENCIES WITH LICENSED BANKS AND DEPOSIT-TAKING COMPANIES ROSE BY 0.6% AND 1.2% RESPECTIVELY WHILE DEPOSITS WITH RESTRICTED LICENCE BANKS DECLINED BY 0.8%.

COMPARED WITH A YEAR EARLIER, DEPOSITS WITH LICENSED BANKS INCREASED BY 16.4% WHILE THOSE WITH RESTRICTED LICENCE BANKS AND DEPOSIT-TAKING COMPANIES FELL BY 3.5% AND 19.7% RESPECTIVELY.

MONEY SUPPLY

HK\$M1 DECLINED BY 0.8%, WHILE BOTH HK\$M2 AND HK\$M3 GREW BY 2.1% IN JUNE. THESE COMPARED WITH THE CORRESPONDING GROWTH RATES OF -4.4%, 0.1% AND ZERO IN MAY.

OVER THE YEAR, THESE MONETARY AGGREGATES ROSE BY 10.4%, 11.6% AND 10.3% RESPECTIVELY.

TOTAL M1, M2 AND M3 INCREASED BY 0.7%, 0.6% AND 0.7% RESPECTIVELY IN JUNE. THEIR CORRESPONDING GROWTH RATES IN MAY WERE -4.2%, -0.1% AND -0.4%.

OVER THE YEAR, TOTAL M1, M2 AND M3 GREW BY 13.1%, 16.0% AND 14.4% RESPECTIVELY.

LOANS AND ADVANCES

TOTAL OUTSTANDING LOANS AND ADVANCES EXTENDED BY AUTHORISED INSTITUTIONS INCREASED BY 0.8% IN JUNE, FOLLOWING INCREASES OF 1.4% AND 1.8% IN APRIL AND MAY RESPECTIVELY.

OF THE TOTAL OUTSTANDING LOANS, THOSE DENOMINATED IN HONG KONG DOLLARS GREW BY 1.0% DURING JUNE, WHILE THOSE DENOMINATED IN FOREIGN CURRENCIES ROSE BY 0.8%. OVER THE YEAR, THESE LOANS GREW BY 15.5% AND 37.1% RESPECTIVELY.

LOANS TO FINANCE VISIBLE TRADE OF HONG KONG GREW BY 3.8% IN JUNE, FOLLOWING INCREASES OF 0.3% AND 3.5% IN APRIL AND MAY RESPECTIVELY. OVER THE YEAR, THESE LOANS GREW BY 20.6%.

OTHER LOANS FOR USE IN HONG KONG GREW BY 1.3% IN JUNE, FOLLOWING INCREASES OF 0.4% AND 0.9% RESPECTIVELY IN THE PRECEDING TWO MONTHS. OVER THE YEAR, THESE LOANS GREW BY 15.8%.

LOANS FOR USE OUTSIDE HONG KONG ROSE BY 0.5% IN JUNE, AFTER INCREASES OF 8.6% AND 2.4% IN APRIL AND MAY RESPECTIVELY. OVER THE YEAR, THESE LOANS GREW BY 56.0%.

QUARTERLY ANALYSIS OF LOANS AND ADVANCES FOR USE IN HONG KONG BY SECTOR

IN THE SECOND QUARTER OF 1991, TOTAL LOANS FOR USE IN HONG KONG (EXCLUDING THOSE FOR TRADE FINANCING) INCREASED BY 2.6%. OF THESE, LOANS FOR USE IN MANUFACTURING ROSE BY 5.8%, FOLLOWING AN INCREASE OF 5.2% IN THE FIRST QUARTER. OVER THE YEAR, THESE LOANS GREW BY 11.0%.

LOANS TO FINANCE WHOLESALERS AND RETAIL TRADE INCREASED BY 4.9%, AFTER A DECLINE OF 1.7% IN THE PREVIOUS QUARTER. OVER THE YEAR, THESE LOANS GREW BY 10.5%.

/LOAN TO

- 7 -

LOANS TO FINANCIAL CONCERNS (OTHER THAN AUTHORISED INSTITUTIONS) DECLINED BY 7.6% THIS QUARTER, AFTER AN INCREASE OF 6.5% IN THE PRECEDING QUARTER. OVER THE YEAR, THESE LOANS GREW BY 9.9%.

LOANS TO INDIVIDUALS FOR THE PURCHASE OF RESIDENTIAL PROPERTY (OTHER THAN FLATS IN THE HOME OWNERSHIP SCHEME) GREW BY 9.4% THIS QUARTER, FOLLOWING AN INCREASE OF 7.2% IN THE FIRST QUARTER. OVER THE YEAR, THESE LOANS ROSE BY 36.2%.

LOANS TO THE BUILDING, CONSTRUCTION AND PROPERTY DEVELOPMENT SECTOR INCREASED BY 6.2% IN THE SECOND QUARTER OF 1991, FOLLOWING AN INCREASE OF 1.9% IN THE PRECEDING QUARTER. OVER THE YEAR, THESE LOANS INCREASED BY 14.6%.

NUMBER OF REPORTING INSTITUTIONS

THE NUMBER OF REPORTING LICENSED BANKS AND RESTRICTED LICENCE BANKS INCREASED BY ONE AND TWO RESPECTIVELY TO 166 AND 47 WHILE THAT OF DEPOSIT-TAKING COMPANIES REMAINED UNCHANGED AT 166.

NOTES :

- * BEFORE FEBRUARY 1, 1990, 'RESTRICTED LICENCE BANKS' AND 'DEPOSIT-TAKING COMPANIES' WERE KNOWN AS 'LICENSED DEPOSIT-TAKING COMPANIES' AND 'REGISTERED DEPOSIT-TAKING COMPANIES' RESPECTIVELY.
- * IN THE TEXT ABOVE, TOTAL HK\$ DEPOSITS, HK\$ TIME DEPOSITS, HK\$M2 AND HK\$M3 HAVE BEEN ADJUSTED TO INCLUDE SWAP DEPOSITS. TOTAL FOREIGN CURRENCY DEPOSITS, US\$ DEPOSITS AND NON-US\$ DEPOSITS HAVE BEEN ADJUSTED TO EXCLUDE SWAP DEPOSITS.

'SWAP DEPOSITS' ARE DEPOSITS INVOLVING CUSTOMERS BUYING FOREIGN CURRENCIES (MOSTLY US DOLLARS) IN THE SPOT MARKET AND PLACING THEM AS DEPOSITS WITH AUTHORISED INSTITUTIONS, WHILE AT THE SAME TIME ENTERING INTO A CONTRACT TO SELL SUCH FOREIGN CURRENCIES (PRINCIPAL PLUS INTEREST) FORWARD IN LINE WITH THE MATURITY OF SUCH DEPOSITS. FOR MOST ANALYTICAL PURPOSES, THEY SHOULD BE REGARDED AS HONG KONG DOLLAR DEPOSITS.

- - - - -

NOTE TO EDITORS:

TABLE 1 SETS OUT SUMMARY FIGURES FOR JUNE 1991 AND COMPARISONS WITH EARLIER MONTHS. TABLE 2 PRESENTS FIGURES FROM THE QUARTERLY ANALYSIS OF LOANS AND ADVANCES FOR USE IN HONG KONG BY SECTOR.

/TABLE 1 :

TABLE 1 : MONETARY STATISTICS - JUNE 1991

| | (HK\$mn) | | | |
|---|------------------|---|-------------------|--------------------|
| | <u>June 1991</u> | <u>Earlier months (% change to June 1991)</u> | | |
| | | <u>May 1991</u> | <u>Mar 1991</u> | <u>June 1990</u> |
| <u>Money Supply</u> | | | | |
| M1 - HK\$ | 93,050 | 93,813 (-0.8) | 94,145 (-1.2) | 84,270 (10.4) |
| Foreign currency | 15,398 | 13,834 (11.3) | 13,689 (12.5) | 11,606 (32.7) |
| Total | 108,449 | 107,647 (0.7) | 107,834 (0.6) | 95,876 (13.1) |
| M2 - HK\$* | 564,655 | 553,090 (2.1) | 547,442 (3.1) | 505,826 (11.6) |
| Foreign currency* | 694,637 | 698,951 (-0.6) | 692,270 (0.3) | 579,651 (19.8) |
| Total | 1,259,292 | 1,252,041 (0.6) | 1,239,712 (1.6) | 1,085,476 (16.0) |
| M3 - HK\$* | 593,160 | 581,080 (2.1) | 576,291 (2.9) | 537,659 (10.3) |
| Foreign currency* | 734,988 | 738,211 (-0.4) | 738,318 (-0.5) | 623,214 (17.9) |
| Total | 1,328,148 | 1,319,291 (0.7) | 1,314,609 (1.0) | 1,160,873 (14.4) |
| Notes and coins in circulation | 44,091 | 43,806 (0.7) | 46,422 (-5.0) | 38,795 (13.7) |
| of which held by public | 37,936 | 37,655 (0.7) | 39,687 (-4.4) | 33,611 (12.9) |
| <u>Total Deposits</u> | | | | |
| Total Demand deposits | 70,513 | 69,992 (0.7) | 68,146 (3.5) | 62,265 (13.2) |
| Total Savings deposits | 244,947 | 240,794 (1.7) | 231,006 (6.0) | 202,891 (20.7) |
| Total Time deposits with licensed banks | 888,269 | 886,240 (0.2) | 883,716 (0.5) | 768,677 (15.6) |
| Total Time deposits with restricted licence banks | 37,793 | 38,095 (-0.8) | 43,305 (-12.7) | 39,165 (-3.5) |
| Total Time deposits with deposit-taking companies | 27,938 | 27,597 (1.2) | 29,963 (-6.8) | 34,787 (-19.7) |
| HK\$ deposits* | 541,580 | 530,167 (2.2) | 523,581 (3.4) | 490,830 (10.3) |
| US\$ deposits* | 291,761 | 292,760 (-0.3) | 296,600 (-1.6) | 273,660 (6.6) |
| Other foreign currency deposits* | 436,118 | 439,789 (-0.8) | 435,956 (0.0) | 343,295 (27.0) |
| All deposits | 1,269,459 | 1,262,717 (0.5) | 1,256,136 (1.1) | 1,107,785 (14.6) |
| Foreign currency swap deposits | 61,132 | 55,922 (9.3) | 62,010 (-1.4) | 68,094 (-10.2) |
| <u>Total Loans and advances</u> | | | | |
| To finance H.K.'s visible trade | 80,324 | 77,387 (3.8) | 74,524 (7.8) | 66,579 (20.6) |
| To finance merchandising trade not touching H.K. | 10,269 | 9,938 (3.3) | 8,103 (26.7) | 9,211 (11.5) |
| Other loans for use in H.K. | 746,401 | 736,512 (1.3) | 727,234 (2.6) | 644,466 (15.8) |
| Other loans for use outside H.K. | 1,029,390 | 1,024,252 (0.5) | 920,385 (11.8) | 659,989 (56.0) |
| Other loans where the place of use is not known | 46,165 | 48,421 (-4.7) | 106,781 (-56.8) | 105,090 (-56.1) |
| Loans in HK\$ | 664,721 | 658,395 (1.0) | 638,725 (4.1) | 575,346 (15.5) |
| Loans in foreign currencies | 1,247,828 | 1,238,116 (0.8) | 1,198,303 (4.1) | 909,988 (37.1) |
| Total loans and advances | 1,912,548 | 1,896,511 (0.8) | 1,837,027 (4.1) | 1,485,335 (28.8) |

* Adjusted for foreign currency swap deposits. Starting from April 1991, swap deposits can further be broken down into US dollar and non-US dollar foreign currency swap deposits.

Note : 'Restricted licence banks' and 'deposit-taking companies' were known as 'licensed deposit-taking companies' and 'registered deposit-taking companies' respectively before 1 February 1990.

TABLE 2 : QUARTERLY ANALYSIS OF LOANS FOR USE IN HONG KONG BY SECTOR - JUNE 1991

| <u>Sectors</u> | <u>Jun 1991</u> | <u>Earlier quarters</u> (% change to Jun 1991) | | (HK\$mn) |
|--|-----------------|---|------------------|------------------|
| | | <u>Mar 1991</u> | <u>Dec 1990</u> | <u>Jun 1990</u> |
| Manufacturing | 54,886 | 51,871 (5.8) | 49,315 (11.3) | 49,429 (11.0) |
| Transport and transport equipment | 45,251 | 43,543 (3.9) | 41,232 (9.7) | 37,658 (20.2) |
| Building, construction, property development and investment | 117,017 | 110,183 (6.2) | 108,112 (8.2) | 102,145 (14.6) |
| Wholesale and retail trade | 76,991 | 73,399 (4.9) | 74,641 (3.1) | 69,663 (10.5) |
| Financial concerns * | 103,119 | 111,575 (-7.6) | 104,730 (-1.5) | 93,849 (9.9) |
| Individuals: | | | | |
| to purchase flats in the Home Ownership Scheme and Private Sector Participation Scheme | 15,535 | 15,071 (3.1) | 13,664 (13.7) | 13,883 (11.9) |
| to purchase other residential property | 154,902 | 141,648 (9.4) | 132,166 (17.2) | 113,773 (36.2) |
| other purposes | 68,586 | 65,271 (5.1) | 60,896 (12.6) | 58,843 (16.6) |
| Others | 110,114 | 114,673 (-4.0) | 104,612 (5.3) | 105,222 (4.6) |
| Total | 746,401 | 727,234 (2.6) | 689,368 (8.3) | 644,466 (15.8) |

* This excludes funds advanced to authorized institutions.

THURSDAY, AUGUST 8, 1991

- 10 -

CITIBANK NOT IN DIFFICULTIES: SMA

* * * * *

COMMENTING ON LARGER THAN USUAL WITHDRAWALS FROM SOME CITIBANK BRANCHES TODAY, THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK SAID THERE WAS NO REASON FOR THE PUBLIC TO ACT IN THIS WAY BECAUSE THE BANK WAS NOT IN ANY DIFFICULTIES.

HE NOTED THAT RUMOURS WERE CIRCULATING ABOUT SOME BANKS.

"THESE ARE TOTALLY WITHOUT FOUNDATION," HE SAID.

"THOSE SPREADING RUMOURS ARE IRRESPONSIBLE AND ARE TO BE CONDEMNED," HE ADDED.

- - - - 0 - - - -

CONSULTANCY AGREEMENTS FOR DETAILED DESIGN OF ROUTE 3

* * * * *

THE HIGHWAYS DEPARTMENT HAS AWARDED A \$120 MILLION CONSULTANCY FOR THE DETAILED DESIGN OF A SECTION OF ROUTE 3 BETWEEN NORTHWEST TSING YI AND WEST KOWLOON.

THE CONSULTANCY WHICH INVOLVES INITIALLY THE DETAILED DESIGN AND PREPARATION OF CONTRACT DOCUMENTS FOR TENDER PURPOSES, WILL ALSO PROVIDE FOR SUBSEQUENT SUPERVISION OF CONSTRUCTION OF THE PROJECT.

THE DIRECTOR OF HIGHWAYS, MR KWEI SEE-KAN, TODAY (THURSDAY) SAID ROUTE 3 WAS A STRATEGIC NORTH TO SOUTH EXPRESSWAY ON THE WESTERN SIDE OF THE TERRITORY LINKING THE NEW TERRITORIES CIRCULAR ROAD TO THE WESTERN SIDE OF HONG KONG ISLAND.

IT PROVIDED A DIRECT LINK FOR TRAFFIC COMING FROM THE BORDER AND NORTHWEST NEW TERRITORIES TO URBAN AREA.

HE SAID THE SECTION OF ROUTE 3 FROM NORTHWEST TSING YI TO WEST KOWLOON WAS ONE OF THE TRANSPORT INFRASTRUCTURE PROJECTS ESSENTIAL FOR THE OPERATION OF THE FUTURE CHAK LAP KOK AIRPORT.

IT WOULD INTERCHANGE WITH THE TSING MA BRIDGE AT THE NORTHWEST CORNER OF TSING YI AND WOULD CONNECT WITH THE WEST KOWLOON EXPRESSWAY NEAR MEI FOO.

THE WORKS OF THIS SECTION OF ROUTE 3 INCLUDED MAINLY THE CONSTRUCTION OF THE ROUTE 3 INTERCHANGE, 1.5-KILOMETRE THREE-LANE TWIN TUNNELS THROUGH TSING YI, A 500-METRE LONG CROSS RAMBLER CHANNEL BRIDGE AND 3.7-KILOMETRE OF DUAL FOUR-LANE VIADUCT IN KWAI CHUNG AREA.

MR KWEI SAID THE DETAILED DESIGN WOULD START IMMEDIATELY AND WOULD TAKE ABOUT 12 MONTHS TO COMPLETE.

/CONSTRUCTION WORK

THURSDAY, AUGUST 8, 1991

- 11 -

CONSTRUCTION WORK WOULD COMMENCE IN LATE 1992 AND TAKE ABOUT FOUR YEARS TO COMPLETE.

THE CONSULTANCY AGREEMENT WAS SIGNED TODAY BETWEEN MR KWEI AND THE REPRESENTATIVE OF THE SPHW CONSORTIUM, MR D.R. BUTLER.

THE CONSORTIUM COMPRISES SCOTT WILSON KIRKPATRICK AND PARTNERS, PARSONS BRINCKERHOFF (ASIA) LTD., WILBUR SMITH ASSOCIATES AND CHARLES HASWELL & PARTNERS (FAR EAST), TOGETHER WITH OTHER SUBCONSULTANTS.

- - - - 0 - - - -

THIRD EDITION OF "HK'S MANUFACTURING INDUSTRIES" PUBLISHED
* * * * *

THE VALUE OF HONG KONG'S DOMESTIC EXPORTS INCREASED FROM \$2,867 MILLION IN 1960 TO \$225,875 MILLION IN 1990, SHOWING AN ANNUAL GROWTH OF 12.7%.

OWING TO THE GENERAL SLOWDOWN OF THE WORLD ECONOMY, THE VALUE OF DOMESTIC EXPORTS ONLY GREW BY 3% AND 1% IN 1989 AND 1990 RESPECTIVELY.

THE ABOVE FIGURES ARE CONTAINED IN THE THIRD EDITION OF THE "HONG KONG'S MANUFACTURING INDUSTRIES" WHICH IS RELEASED BY THE INDUSTRY DEPARTMENT TODAY (THURSDAY).

THE PUBLICATION ALSO NOTED THAT AS AT 1990, A TOTAL OF 730,217 PERSONS WERE EMPLOYED BY HONG KONG'S MANUFACTURING INDUSTRIES, ACCOUNTING FOR 29.5% OF TOTAL EMPLOYMENT.

THE MANUFACTURING SECTOR, HOWEVER, CEASED TO BE THE LARGEST EMPLOYER AND WAS OVERTAKEN BY THE WHOLESALE, RETAIL, IMPORT/EXPORT TRADES, RESTAURANT AND HOTELS SECTOR.

THE NUMBER OF MANUFACTURING ESTABLISHMENTS DROPPED FROM 49,926 IN 1989 TO 49,087 LAST YEAR.

COMMENTING ON THE DECREASING TREND IN THE NUMBER OF MANUFACTURING ESTABLISHMENTS AND EMPLOYEES, THE DIRECTOR OF INDUSTRY, MR WILFRED WONG, ATTRIBUTED THIS IN PART TO THE INCREASING USE OF AUTOMATION IN MANUFACTURING AND THE SHIFT OF LABOUR-INTENSIVE AND LOWER-END PRODUCTION TO CHINA.

MR WONG SAID HONG KONG'S MANUFACTURING INDUSTRIES MAINLY CONSISTED OF SMALL AND MEDIUM-SIZED FACTORIES. THE AVERAGE SIZE OF INDUSTRIAL ESTABLISHMENTS HAD DROPPED FROM 18 PERSONS IN 1985 TO 15 PERSONS IN 1990.

"OF THE 49,087 INDUSTRIAL ESTABLISHMENTS IN 1990, 42,281 ESTABLISHMENTS (86.1 PER CENT) EMPLOYED FEWER THAN 20 PERSONS, AND 46,500 (94.7 PER CENT) OF THE ESTABLISHMENTS EMPLOYED FEWER THAN 50 PERSONS.

/"ALTHOUGH MAKING

"ALTHOUGH MAKING UP THE VAST MAJORITY OF HONG KONG'S MANUFACTURING ESTABLISHMENTS, FACTORIES WITH FEWER THAN 50 PERSONS ONLY EMPLOYED 354,087 PERSONS IN TOTAL (48.5 PER CENT OF TOTAL MANUFACTURING EMPLOYMENT) IN 1990.

"IN CONTRAST, 51.5 PER CENT OF HONG KONG'S TOTAL MANUFACTURING EMPLOYMENT, OR 376,130 PERSONS, IS CONCENTRATED IN 2,587 LARGER ESTABLISHMENTS (5.3 PER CENT)," MR WONG SAID.

HE SAID THERE WAS AN INHERENT ADVANTAGE IN THIS MAKE-UP AS MANY SMALL AND MEDIUM-SIZED OPERATIONS WERE CLOSELY LINKED WITH THE BIGGER FACTORIES THROUGH AN EFFICIENT NETWORK OF SUBCONTRACTING PROCESSING ARRANGEMENTS.

THIS PROVIDES HONG KONG'S MANUFACTURING SECTOR WITH A FLEXIBILITY WHICH ENABLES IT TO RESPOND SWIFTLY TO CHANGES IN EXTERNAL DEMANDS.

THE REPORT ALSO NOTED THAT THE 1980S SAW THE EMERGENCE OF LINKAGE INDUSTRIES IN HONG KONG, WHICH CONVERT IMPORTED RAW MATERIALS INTO SEMI-MANUFACTURES, COMPONENTS, PARTS, SUB-ASSEMBLIES AND MACHINES FOR SALE TO OTHER MANUFACTURERS EITHER FOR ASSEMBLY INTO FINISHED PRODUCTS OR FOR USE IN THE PRODUCTION PROCESS.

"THE GROWTH OF THE LINKAGE INDUSTRIES HAS ASSISTED THE TRANSFORMATION OF HONG KONG'S MANUFACTURING SECTOR FROM THE SIMPLE ASSEMBLY OF IMPORTED PARTS AND COMPONENTS.

"THIS GROWTH IS CONNECTED WITH MANUFACTURING-WIDE TRENDS IN THE 1980S," MR WONG SAID.

"FIRSTLY, THE SHIFT OF HONG KONG'S LABOUR INTENSIVE ASSEMBLY OPERATIONS INTO OTHER AREAS IN THE SOUTHEAST ASIAN REGION, ESPECIALLY INTO SOUTH CHINA, HAS ENABLED HONG KONG TO DEVELOP INTO A MANUFACTURING SUPPORT BASE FOR THE REGION, NOT ONLY FOR A VARIETY OF FINANCIAL AND OTHER SERVICES, BUT ALSO FOR MATERIALS, PARTS, COMPONENTS AND PRODUCTION TOOLING THAT CANNOT BE SUPPLIED IN THOSE AREAS.

"SECONDLY, A COMBINATION OF FACTORS INCLUDING RISING LABOUR COSTS, SHORTER PRODUCT LIFE-CYCLES, AND THE NEED TO DIVERSIFY INTO HIGHER VALUE-ADDED PRODUCTS TO MAINTAIN PROFIT MARGINS HAS HIGHLIGHTED THE ATTRACTIVENESS OF MORE AUTOMATED AND FLEXIBLE MANUFACTURING METHODS IN THE LOCAL MANUFACTURING INDUSTRIES," MR WONG ADDED.

THURSDAY, AUGUST 8, 1991

- 13 -

MORE SECONDARY STUDENTS FOUND TO HAVE ABUSED DRUGS

* * * * *

MORE SECONDARY SCHOOL AND TECHNICAL INSTITUTE STUDENTS WERE FOUND TO HAVE ABUSED PSYCHOTROPIC SUBSTANCES, MAINLY CANNABIS AND TWO TRANQUILLISERS.

THIS IS ONE OF THE FINDINGS OF THE 1990 SURVEY ON THE NON-MEDICAL USE OF PSYCHOTROPIC SUBSTANCES AMONG STUDENTS OF SECONDARY SCHOOLS AND TECHNICAL INSTITUTES RELEASED TODAY (THURSDAY). THE SURVEY HAS BEEN STUDIED BY THE ACTION COMMITTEE AGAINST NARCOTICS (ACAN).

COVERING FOR THE FIRST TIME ALL THE 16 INTERNATIONAL SCHOOLS IN THE TERRITORY, THE SURVEY WAS CONDUCTED IN LAST OCTOBER AND NOVEMBER BY THE NARCOTICS DIVISION, GOVERNMENT SECRETARIAT, AS A FOLLOW-UP TO THE FIRST SURVEY IN 1987 WITH THE OBJECTIVE TO COLLECT MORE COMPREHENSIVE AND UP-TO-DATE DATA.

A TOTAL OF SOME 110,000 STUDENTS WERE ENUMERATED. THESE INCLUDED 86,147 FROM 126 CHINESE-SPEAKING SCHOOLS AND 16,786 FROM THE EIGHT TECHNICAL INSTITUTES, AS WELL AS ALL 6,875 STUDENTS FROM THE 16 INTERNATIONAL SCHOOLS.

ALL THE STUDENTS SURVEYED WERE ASKED TO COMPLETE A 26-QUESTION QUESTIONNAIRE.

QUESTIONS COVERING SUCH POINTS AS THE TYPES OF PSYCHOTROPIC SUBSTANCES ABUSED, THEIR ATTITUDES AND REASONS FOR ABUSING THE SUBSTANCES, AND THEIR SOURCES OF SUCH SUBSTANCES WERE ASKED.

ALL INFORMATION COLLECTED WERE TREATED IN STRICT CONFIDENCE AND NO INDIVIDUAL DATA WERE RELEASED.

THE 1990 SURVEY REVEALED THAT 2.1 PER CENT OF THE STUDENTS IN THE CHINESE-SPEAKING SECONDARY SCHOOLS POLLED HAD ABUSED PSYCHOTROPIC SUBSTANCES. THE ABUSE RATE IN THE 1987 SURVEY WAS 1.1 PER CENT.

THE ABUSE RATES FOR STUDENTS ENROLLED IN THE FULL-TIME AND PART-TIME DAY COURSES OF TECHNICAL INSTITUTES COVERED BY THE SURVEY WERE 2.5 PER CENT AND 6.0 PER CENT RESPECTIVELY.

THE CORRESPONDING FIGURES IN THE 1987 SURVEY RESULTS WERE 1.7 PER CENT AND 3.7 PER CENT RESPECTIVELY.

THE SURVEY ALSO FOUND THAT THE ABUSE RATE IN INTERNATIONAL SCHOOLS WAS 5.3 PER CENT.

THE SURVEY INDICATED THAT MOST OF THE STUDENT DRUG ABUSERS WERE MALE.

THEY STARTED TO ABUSE PSYCHOTROPIC SUBSTANCES MOSTLY AT THE AGE OF 13 TO 16, MAINLY OUT OF CURIOSITY. MOST OF THEM OBTAINED THE SUBSTANCES FROM THEIR FRIENDS.

THURSDAY, AUGUST 8, 1991

- 14 -

CANNABIS REPLACED MANDRAX AS THE MOST COMMONLY ABUSED SUBSTANCE AMONG STUDENT DRUG ABUSERS IN 1990, FOLLOWED BY ROHYPNOL, HALCION, MANDRAX AND COUGH MEDICINE.

THE SURVEY, HOWEVER, SHOWED THAT LESS THAN ONE-QUARTER OF THE STUDENTS CLAIMED TO HAVE ABUSED THE SUBSTANCES WERE REGULAR ABUSERS WHO ABUSED THE SUBSTANCES REGULARLY IN THE 30 DAYS PRIOR TO THE SURVEY. THIS SHOWED NO INCREASE WHEN COMPARED WITH THE 1987 RESULTS.

IT IS ALSO HEARTENING TO NOTE THAT THE GREAT MAJORITY OF STUDENTS SURVEYED DID NOT APPROVE OF THE NON-MEDICAL USE OF DRUGS AND MORE THAN 60 PER CENT OF THE STUDENT DRUG ABUSERS HAD ALREADY STOPPED ABUSING THE SUBSTANCES.

COMMENTING ON THE SURVEY FINDINGS, THE CHAIRMAN OF ACAN, DR GERALD CHOA, SAID THE SURVEY HAD PROVIDED A CLEARER INDICATION OF THE PROBLEM AMONG STUDENTS.

"TO TACKLE THE PROBLEM, ACAN CONSIDERED AT ITS MEETING THIS AFTERNOON THAT PUBLICITY AND LAW ENFORCEMENT EFFORTS SHOULD BE STRENGTHENED," HE ADDED.

AS FAR AS PUBLICITY IS CONCERNED, DR CHOA SAID THE TARGETS SHOULD BE THE COMMUNITY AS A WHOLE WITH SPECIAL EMPHASIS ON THE YOUNGSTERS.

"THE THEME FOR THE ANTI-DRUG MEDIA STRATEGY ENDORSED BY ACAN FOR 1990/91, WHICH IS STILL BEING USED FOR THE CURRENT YEAR, HAS BEEN CONSIDERED APPROPRIATE FOR CONTINUED ADOPTION.

"EVERYONE, YOUNGSTERS IN PARTICULAR, SHOULD BE ENCOURAGED TO FOLLOW A HEALTHY LIFESTYLE AND SAY 'NO' TO ALL DRUGS."

THE ACTING COMMISSIONER FOR NARCOTICS, MISS MAUREEN TO, SAID THE NARCOTICS DIVISION WOULD STEP UP ITS PREVENTIVE EDUCATION EFFORTS BY MEANS OF EXTENDING ITS SCHOOL TALK PROGRAMMES EARLY NEXT YEAR TO COVER NOT ONLY SECONDARY SCHOOLS AND TECHNICAL INSTITUTES BUT ALSO PRIMARY 6 STUDENTS.

"A NEW COMPREHENSIVE DRUG EDUCATION TEACHING KIT, NOW UNDER PRODUCTION, WILL BE RELEASED IN OCTOBER THIS YEAR TO ALL SECONDARY SCHOOLS, OUTREACH SOCIAL WORK TEAMS AND INTERESTED PARTIES THROUGH A SERIES OF SEMINARS AND VISITS.

"IT WILL COMPRISE VIDEOS, FOLLOW-UP EXERCISES, LESSON PLANS AND ADDITIONAL REFERENCE MATERIALS WITH A VIEW TO PROVIDING STUDENTS AND YOUNGSTERS WITH ACCURATE KNOWLEDGE ABOUT DRUGS AND HELPING THEM TO DEVELOP ATTITUDES AND SKILLS TO FIGHT AGAINST THE DRUG ABUSE PROBLEM.

"THE NARCOTICS DIVISION WILL ALSO ISSUE A GUIDEBOOK FOR PARENTS AND PROFESSIONAL PERSONNEL CONTAINING SOME BASIC FACTS ABOUT DRUGS -- WHAT THEY ARE, WHAT THEY LOOK LIKE, THEIR EFFECTS AND DANGERS, AND SYMPTOMS RESULTANT FROM THEIR USE.

/"WHEN THE

THURSDAY, AUGUST 8, 1991

- 15 -

"WHEN THE GUIDEBOOK IS ISSUED, PARENTS WILL BE URGED TO PAY MORE ATTENTION TO THEIR CHILDREN AND THEIR SOCIAL ACTIVITIES," SHE SAID.

THE ACTING COMMISSIONER CONTINUED THAT PUBLICITY THROUGH THE ELECTRONIC MEDIA AND PRINTED MATERIALS, AS WELL AS CAMPAIGNS AT THE DISTRICT LEVEL, WOULD BE MAINTAINED FOR THE COMMUNITY.

"WE'LL CONTINUE TO CLOSELY MONITOR THE SITUATION, REVIEW AND ADJUST OUR PREVENTIVE EDUCATION AND PUBLICITY PROGRAMMES IF AND WHEN NECESSARY," SHE SAID.

NOTE TO EDITORS:

AS THE 173-PAGE REPORT IS STILL BEING PRINTED, LIMITED PHOTOSTATED COPIES OF THE REPORT ARE MADE AVAILABLE FOR REFERENCE AT THE LIBRARY OF THE NARCOTICS DIVISION ON THE 23RD FLOOR OF QUEENSWAY GOVERNMENT OFFICES DURING OFFICE HOURS.

----- 0 -----
MANAGEMENT CHANGE FOR VIETNAMESE DETENTION CENTRE

* * * * *

IN A MOVE THAT WILL RELEASE OVER 200 POLICEMEN FOR CRIME FIGHTING DUTIES, THE GOVERNMENT INTENDS TO TRANSFER THE MANAGEMENT OF HIGH ISLAND VIETNAMESE DETENTION CENTRE FROM THE POLICE TO THE CORRECTIONAL SERVICES DEPARTMENT.

ANNOUNCING THIS TODAY, ACTING DEPUTY SECRETARY FOR SECURITY, MR CLINTON LEEKS, SAID SOME 500 POLICE OFFICERS WERE AT PRESENT DIRECTLY INVOLVED IN VIETNAMESE MIGRANT DUTIES.

FURTHER MANPOWER RESOURCES ARE ALSO REQUIRED TO RESPOND TO EMERGENCY SITUATIONS WHENEVER THEY ARISE.

"THE REDEPLOYMENT OF POLICE OFFICERS FROM THEIR NORMAL OPERATIONAL DUTIES PUTS AN OBVIOUS STRAIN ON THE FORCE WITH REGARD TO LAW ENFORCEMENT," MR LEEKS POINTED OUT.

"WITH THE GROWING VIETNAMESE POPULATION AND THE ADDITIONAL BURDENS THIS IMPOSES ON THE MANAGEMENT OF DETENTION DUTIES, WE CANNOT ALLOW POLICE RESOURCES TO GO ON BEING STRETCHED IN THIS WAY," HE SAID.

AT PRESENT, HIGH ISLAND DETENTION CENTRE IS MANAGED BY 228 GOVERNMENT STAFF, OF WHOM 212 ARE POLICE OFFICERS.

SUBJECT TO THE APPROVAL BY THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL, AN EQUAL NUMBER OF POSTS WILL BE CREATED IN THE CORRECTIONAL SERVICES DEPARTMENT.

/IT IS

THURSDAY, AUGUST 8, 1991

- 16 -

IT IS ESTIMATED THAT THE MANAGEMENT OF HIGH ISLAND DETENTION CENTRE UNDER THE DEPARTMENT WILL COST \$25 MILLION FOR THE REMAINDER OF THE CURRENT FINANCIAL YEAR, AND \$41 MILLION IN SUBSEQUENT YEARS.

MR LEEKS ADDED THAT EFFORTS WOULD BE MADE TO IDENTIFY SUFFICIENT SAVINGS TO COVER ANY ADDITIONAL EXPENDITURE INVOLVED.

THE HANDOVER OF THE CENTRE IS EXPECTED TO BEGIN IN ABOUT ONE MONTH'S TIME.

- - - - 0 - - - -

EXTENSION OF HAPPY VALLEY RACECOURSE

* * * * *

THE SECRETARY FOR SECURITY, MR ALISTAIR ASPREY, TODAY (THURSDAY) SAID THERE WAS NO QUESTION OF THE DISBANDMENT OF THE ROYAL HONG KONG REGIMENT BEING BROUGHT FORWARD AS A RESULT OF THE ROYAL HONG KONG JOCKEY CLUB'S PROPOSAL TO EXTEND HAPPY VALLEY RACECOURSE.

"THE FUTURE OF THE REGIMENT WILL BE CONSIDERED IN THE CONTEXT OF THE WITHDRAWAL OF THE BRITISH GARRISON BY 1997," MR ASPREY SAID.

"THAT DECISION WILL DICTATE WHEN THE PRESENT HEADQUARTERS SITE OF THE REGIMENT CAN BE RELEASED, AND THERE IS NO QUESTION OF BRINGING IT FORWARD IN ORDER TO FACILITATE THE ENLARGEMENT OF THE HAPPY VALLEY RACECOURSE," HE ADDED.

- - - - 0 - - - -

BAN ON SOUTH AFRICAN GOLD COINS, IRON AND STEEL IMPORTS WILL BE LIFTED

* * * * *

THE GOVERNMENT HAS DECIDED TO LIFT HONG KONG'S BAN ON IMPORTS OF GOLD COINS MINTED IN SOUTH AFRICA, A SPOKESMAN FOR THE TRADE DEPARTMENT SAID TODAY (THURSDAY).

HE SAID THE BAN ON IRON AND STEEL IMPORTS WOULD ALSO BE LIFTED.

TO GIVE EFFECT TO THIS DECISION, THE IMPORT PROHIBITION (SOUTH AFRICA) (REPEAL) REGULATIONS WILL BE GAZETTED TOMORROW.

THE SPOKESMAN SAID FROM TOMORROW, AS A RESULT OF THE BAN BEING LIFTED, GOLD COINS AND IRON AND STEEL FROM SOUTH AFRICA WOULD NO LONGER BE SUBJECT TO THE ISSUE OF IMPORT LICENCES BY THE TRADE DEPARTMENT.

- - - - 0 - - - -

THURSDAY, AUGUST 8, 1991

- 17 -

EDUCATION SUBSIDIES FOR NEEDY FARM/FISHING CHILDREN

* * * * *

THE AGRICULTURE AND FISHERIES DEPARTMENT TODAY (THURSDAY) REMINDED CHILDREN OF FARMING AND FISHING FAMILIES WHO ARE IN NEED OF FINANCIAL ASSISTANCE TO COMPLETE THEIR SECONDARY SCHOOLING TO APPLY FOR THE AGRICULTURAL PRODUCTS AND MARINE FISH SCHOLARSHIP FUNDS EARLY.

A DEPARTMENT SPOKESMAN SAID APPLICATIONS FOR SUCH SUBSIDIES IN THE FORM OF SCHOLARSHIPS AND GRANTS WILL CLOSE ON AUGUST 14.

APPLICATION FORMS ARE OBTAINABLE FROM THE DEPARTMENT'S HEADQUARTERS ON THE 12TH FLOOR OF CANTON ROAD GOVERNMENT OFFICES, 393 CANTON ROAD, KOWLOON AND FROM VARIOUS DISTRICT AGRICULTURAL AND FISHERIES LIAISON OFFICES.

APPLICANTS SHOULD BE STUDENTS IN FORM 4 TO 7 AND THE AWARDS CAN BE TENABLE AT ANY SECONDARY SCHOOL IN HONG KONG.

SCHOLARSHIPS MAY BE AWARDED TO STUDENTS WHO HAVE ACHIEVED A STANDARD OF ACADEMIC EXCELLENCE, THE SPOKESMAN SAID.

"STUDENTS APPLYING FOR SCHOLARSHIPS MAY ALSO APPLY FOR GRANTS TO COVER TUITION FEES AND PURCHASE OF BOOKS AND SUCH APPLICATIONS WILL BE CONSIDERED ON A FINANCIAL NEED BASIS," HE ADDED.

ENQUIRIES ABOUT APPLICATION PROCEDURES CAN BE MADE TO THE SECRETARY OF THE AGRICULTURAL PRODUCTS AND MARINE FISH SCHOLARSHIP FUNDS ADVISORY COMMITTEE ON TEL. 733 2249.

- - - - 0 - - - -

246 VM'S RETURNED

* * * * *

A GROUP OF 246 VIETNAMESE MIGRANTS TODAY (THURSDAY) RETURNED TO VIETNAM UNDER THE UNHCR'S VOLUNTARY REPATRIATION PROGRAMME.

COMPRISING 142 MEN, 48 WOMEN, 40 BOYS AND 16 GIRLS, THEY WERE THE 62ND BATCH TO GO BACK UNDER THE PROGRAMME.

THIS GROUP BROUGHT TO 8,552 THE TOTAL NUMBER OF VIETNAMESE MIGRANTS WHO HAVE RETURNED VOLUNTARILY.

- - - - 0 - - - -

THURSDAY, AUGUST 8, 1991

- 18 -

PERSONAL CORRESPONDENCE BY AIRMAIL ACCEPTED FOR IRAQ

* * * * *

THE ACTING POSTMASTER GENERAL, MISS ELLE SHUM, ANNOUNCED TODAY (THURSDAY) THAT, WITH IMMEDIATE EFFECT, PERSONAL CORRESPONDENCE SENT BY AIRMAIL WILL BE ACCEPTED FOR IRAQ.

OTHER SERVICES TO IRAQ, INCLUDING SURFACE MAIL, PARCEL AND INSURED MAIL, REMAIN SUSPENDED.

- - - - 0 - - - -

FIVE NOMINATIONS RECEIVED TODAY FOR LEGCO ELECTIONS

* * * * *

FIVE NOMINATIONS FOR THE LEGISLATIVE COUNCIL ELECTIONS IN SEPTEMBER WERE RECEIVED TODAY (THURSDAY), BRINGING THE TOTAL NUMBER OF NOMINATIONS SO FAR TO 85.

FOUR NOMINATIONS WERE SUBMITTED FOR THE FUNCTIONAL CONSTITUENCY ELECTIONS TO BE HELD ON THURSDAY, SEPTEMBER 12. AND ONE NOMINATION WAS RECEIVED FOR THE DIRECT ELECTIONS TO BE HELD ON SUNDAY, SEPTEMBER 15.

SO FAR, THE HIGHEST NUMBER OF NOMINATIONS FOR FUNCTIONAL CONSTITUENCIES WAS FIVE IN FINANCIAL SERVICES.

THE HIGHEST NUMBER OF NOMINATIONS FOR THE DIRECT ELECTIONS WERE IN KOWLOON CENTRAL AND NEW TERRITORIES EAST WITH EACH RECEIVING SEVEN NOMINATIONS.

THE NOMINATION PERIOD WILL END ON AUGUST 12.

THERE ARE 21 SEATS IN THE 20 FUNCTIONAL CONSTITUENCIES, WITH TWO SEATS FOR THE LABOUR CONSTITUENCY. AS FOR THE DIRECT ELECTIONS, ALL NINE GEOGRAPHICAL CONSTITUENCIES ARE DOUBLE-SEATED.

FOLLOWING ARE THE PERSONAL PARTICULARS OF THE CANDIDATES WHOSE NOMINATION FORMS WERE RECEIVED TODAY.

| FUNCTIONAL CONSTITUENCY/ ELECTORAL DIVISION | NAME | SEX | AGE | OCCUPATION | CONTACT TEL. NO. |
|--|-----------------------|-----|-----|------------------------|---------------------|
| ----- | ---- | --- | --- | ----- | ----- |
| FINANCIAL SERVICES | CHAN P.F., PETER | M | 69 | SECURITIES DEALER | 572 0330 |
| | WONG PO-HANG, ALEX | M | 45 | INSURANCE EXECUTIVE | 526 0668 |

/ARCHITECTURAL, SURVEYING

| | | | | | |
|---|---------------|-----|-----|--|------------------------------|
| ARCHITECTURAL, SURVEYING AND PLANNING | KAN FOOK-YEE | M | 55 | CHARTERED SURVEYOR | 810 8123 |
| REGIONAL COUNCIL | CHOW YICK-HAY | M | 33 | CHINESE UNIVERSITY STAFF | 785 7979 |
| GEOGRAPHICAL CONSTITUENCY | NAME | SEX | AGE | OCCUPATION | CONTACT TEL. NO. |
| ----- | ---- | --- | --- | ----- | ----- |
| KOWLOON EAST | TANG MAN-CHUN | M | 54 | CONSULTANT ENGINEER (H.K. GOVT. APPOINTED EXAMINER) | 389 4719 (O) 344 2613 (R) |

FOLLOWING IS A STATISTICAL BREAKDOWN OF THE NOMINATIONS RECEIVED SO FAR:

| FUNCTIONAL CONSTITUENCY | ELECTORAL DIVISION | NO. OF NOMINATIONS RECEIVED |
|---|--|-----------------------------------|
| ----- | ----- | ----- |
| 1. COMMERCIAL | FIRST COMMERCIAL | 1 |
| 2. COMMERCIAL | SECOND COMMERCIAL | 1 |
| 3. INDUSTRIAL | FIRST INDUSTRIAL | 1 |
| 4. INDUSTRIAL | SECOND INDUSTRIAL | 2 |
| 5. FINANCE & FINANCIAL SERVICES | FINANCE | 1 |
| 6. FINANCE & FINANCIAL SERVICES | FINANCIAL SERVICES | 5 |
| 7. LABOUR | | 2 |
| 8. SOCIAL SERVICES | | 1 |
| 9. MEDICAL & HEALTH CARE | MEDICAL | 1 |
| 10. MEDICAL & HEALTH CARE | HEALTH CARE | 0 |
| 11. TEACHING | | 3 |
| 12. LEGAL | | 1 |
| 13. ENGINEERING, ARCHITECTURAL, SURVEYING AND PLANNING | ENGINEERING | 2 |
| 14. ENGINEERING, ARCHITECTURAL, SURVEYING AND PLANNING | ARCHITECTURAL, SURVEYING AND PLANNING | 3 |

/15. ACCOUNTANCY

| | |
|--------------------------------|----------------|
| 15. ACCOUNTANCY | 1 |
| 16. REAL ESTATE & CONSTRUCTION | 1 |
| 17. TOURISM | 3 |
| 18. URBAN COUNCIL | 1 |
| 19. REGIONAL COUNCIL | 3 |
| 20. RURAL | 1 |
| | ----- |
| | SUB-TOTAL : 34 |
| | ===== |

| GEOGRAPHICAL CONSTITUENCY | NO. OF NOMINATIONS RECEIVED |
|---------------------------|-----------------------------|
| ----- | ----- |
| 1. HONG KONG ISLAND EAST | 6 |
| 2. HONG KONG ISLAND WEST | 5 |
| 3. KOWLOON EAST | 6 |
| 4. KOWLOON CENTRAL | 7 |
| 5. KOWLOON WEST | 6 |
| 6. NEW TERRITORIES EAST | 7 |
| 7. NEW TERRITORIES SOUTH | 4 |
| 8. NEW TERRITORIES WEST | 5 |
| 9. NEW TERRITORIES NORTH | 5 |
| | ----- |
| | SUB-TOTAL: 51 |
| | ===== |

THURSDAY, AUGUST 8, 1991

- 21 -

HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS
* * * * *

| | DATE | \$ MILLION |
|--|--------|------------|
| | ---- | ----- |
| CLOSING BALANCE IN THE ACCOUNT ON | 7.8.91 | 600 |
| EFFECT OF FORWARDS TO BE SETTLED ON | 8.8.91 | +149 |
| EFFECT OF OPERATIONS THIS MORNING | | -149 |
| EFFECT OF OPERATIONS THIS AFTERNOON | | NEUTRAL |
| TRADE WEIGHTED INDEX 112.5 *-0.2* 8.8.91 | | |

HONG KONG GOVERNMENT EXCHANGE FUND

CLOSING YIELDS OF EXCHANGE FUND BILLS

| | 8.8.91 | 7.8.91 |
|-------------------------|----------|----------|
| MATURING IN 1 WEEK | 5.10 PCT | 5.29 PCT |
| 1 MONTH | 5.24 PCT | 5.42 PCT |
| 3 MONTHS | 5.52 PCT | 5.64 PCT |
| 6 MONTHS | 5.85 PCT | 5.83 PCT |
| 12 MONTHS | 6.29 PCT | 6.32 PCT |
| TOTAL BILLS TRANSFERRED | 5,991 MN | 4,152 MN |

----- 0 -----