



DAILY INFORMATION BULLETIN

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

TUESDAY, JUNE 2, 1992

<u>CONTENTS</u>	<u>PAGE NO.</u>
FRANCHISED BUS SERVICES ON HK ISLAND	1
CONTRACT AWARD FOR FIRST SECTION OF NORTH LANTAU EXPRESSWAY	2
P1 CENTRAL ALLOCATION RESULTS OUT ON SATURDAY	4
APPLICATIONS FOR 10 RETRAINING COURSES INVITED	5
PROVISIONAL RETAIL SALES FIGURES FOR MARCH RELEASED	6
GOVT DEVOTED TO TACKLING ILLICIT TRADE PRACTICE	9
HK BENEFITS FROM ASIA-PACIFIC GROWTH	12
37 INMATES PASS PUBLIC EXAMS	13
TWO GOVT PRIMARY SCHOOLS INVITE ENROLMENT	14
OUT-PATIENT CLINICS TO CLOSE ON TUEN NG DAY	14
HONG KONG GOVERNMENT EXCHANGE FUND TENDER RESULTS	14
HONG KONG GOVERNMENT EXCHANGE FUND MONEY MARKET OPERATIONS	15

FRANCHISED BUS SERVICES ON HK ISLAND

* * * * *

THE GOVERNOR IN COUNCIL HAS APPROVED THAT A NEW FRANCHISE SHOULD BE OFFERED TO THE CHINA MOTOR BUS COMPANY (CMB) TO OPERATE A REDUCED NETWORK OF 90 ROUTES REQUIRING ABOUT 780 BUSES FOR TWO YEARS WITH EFFECT FROM SEPTEMBER 1, 1993.

TO PROMOTE HEALTHY COMPETITION IN THE PROVISION OF BUS SERVICES, TENDERS WILL BE INVITED FOR A THREE-YEAR FRANCHISE COMMENCING SEPTEMBER 1, 1993 TO OPERATE 26 ROUTES REQUIRING ABOUT 200 BUSES ON HONG KONG ISLAND.

A GOVERNMENT SPOKESMAN SAID TODAY (TUESDAY) THE DECISION HAD TAKEN FULL ACCOUNT OF THE OUTCOME OF A DEBATE IN THE LEGISLATIVE COUNCIL IN JANUARY, EXTENSIVE PUBLIC CONSULTATIONS AS WELL AS THE ADVICE OF THE TRANSPORT ADVISORY COMMITTEE.

"THE PUBLIC IN GENERAL ACCEPT THAT A FRANCHISING SYSTEM SHOULD STAY AS FULL DEREGULATION MAY LEAD TO TRAFFIC CHAOS IN HK'S CROWDED ENVIRONMENT. THIS WILL ALSO ENSURE THAT LOSS-INCURRING BUT SOCIALLY DESIRABLE SERVICES COULD BE MAINTAINED."

UNDER THE NEW FRANCHISE, CMB'S EXISTING PROFIT CONTROL SCHEME WILL BE DISCONTINUED UPON EXPIRY ON AUGUST 31, 1993.

THE NEW FRANCHISE WILL INCLUDE THE FOLLOWING ADDITIONAL CONDITIONS TO STRENGTHEN THE MONITORING OF CMB'S OPERATIONS, TO EASE TRANSITION AND TO CATER FOR THE FUTURE EXISTENCE OF TWO MAIN BUS OPERATORS ON HK ISLAND :

- * CMB SHOULD ESTABLISH PASSENGER LIAISON GROUPS TO INTERACT WITH THE PUBLIC FOR THE PURPOSE OF ASSESSING AND IMPROVING ITS SERVICE STANDARDS;
- * CMB SHOULD PROVIDE A COMPUTER TERMINAL TO ENABLE THE COMMISSIONER FOR TRANSPORT TO OBTAIN UP-TO-DATE OPERATIONAL INFORMATION ON ITS SERVICES, SUCH AS AVAILABILITY AND DEPLOYMENT OF BUSES ON EACH ROUTE;
- * ANY PENSION FUND HELD BY CMB SHOULD BE CONTROLLED BY AN INDEPENDENT PROFESSIONAL TRUSTEE;
- * CMB IS REQUIRED TO DISCLOSE ITS ASSETS AND SHOULD NOT DISPOSE OF SUCH ASSETS WITHOUT THE CONSENT OF THE COMMISSIONER FOR TRANSPORT;
- * ON EXPIRY OF THE PROFIT CONTROL SCHEME, THE BALANCE OF THE DEVELOPMENT FUND SHOULD BELONG TO PASSENGERS AND ANY REMAINING CREDIT BALANCE MUST BENEFIT PASSENGERS RATHER THAN CMB SHAREHOLDERS;
- * THE COMMISSIONER FOR TRANSPORT HAS THE POWER TO DIRECT CMB TO SHARE THE USE OF BUS STOPS, TERMINI AND THE FACILITIES WITH ANOTHER OPERATOR.

THE SPOKESMAN SAID: "IN DETERMINING THE SIZE AND COMPOSITION OF CMB'S NETWORK UNDER THE NEW FRANCHISE, THE GOVERNMENT HAS TAKEN FULL ACCOUNT OF THE NEED TO GIVE CMB A BALANCED AND FINANCIALLY VIABLE PACKAGE OF ROUTES, INCLUDING A DETAILED EXAMINATION OF CMB'S ACTUAL REVENUE AND COST DATA, THE PROFITABILITY OF EACH ROUTE, THE FAVOURABLE IMPACT OF FUEL TAX EXEMPTION, POSSIBLE SAVINGS IN OVERHEAD COSTS AND THE REDUCTION OF MAINTENANCE COSTS BROUGHT ABOUT BY THE RETIREMENT OF OLD BUSES.

"THE MAIN TERMS OF THE NEW FRANCHISE, NAMELY A REDUCED NETWORK AND THE ABOLITION OF THE PROFIT CONTROL SCHEME, HAVE BEEN ACCEPTED BY THE CMB," THE SPOKESMAN SAID.

"HOWEVER, CMB HAS EXPRESSED CERTAIN RESERVATIONS ON THE PACKAGING OF ROUTES IN THEIR WRITTEN REPRESENTATIONS TO THE EXECUTIVE COUNCIL. THESE HAVE BEEN TAKEN FULLY INTO ACCOUNT IN THE GOVERNOR IN COUNCIL'S DECISION.

"CMB HAS BEEN ASKED TO CONFIRM ACCEPTANCE BEFORE JULY 2.

THE SPOKESMAN ALSO SAID THE ROUTES TO BE TENDERED OUT AS A PACKAGE COMPRISED TWO CROSS-HARBOUR ROUTES, 16 ROUTES FOR SOUTHERN DISTRICT, FIVE ROUTES FOR CENTRAL AND WESTERN AND THREE ROUTES FOR WAN CHAI.

"THE PROPOSED PACKAGE SHOULD BE ATTRACTIVE TO POTENTIAL BIDDERS, HAVING REGARD TO PROFITABILITY, OPPORTUNITIES FOR SERVICE EXPANSION AND PRODUCTIVITY IMPROVEMENTS AND THE LEVEL OF INITIAL INVESTMENT," THE SPOKESMAN ADDED.

A GAZETTE NOTICE WILL BE ISSUED ON SATURDAY (JUNE 6) TO INVITE TENDERS. THE CLOSING DATE WILL BE JULY 18.

IT IS EXPECTED THAT THE SUCCESSFUL TENDERER WILL BE ANNOUNCED IN SEPTEMBER TO PROVIDE ENOUGH TIME FOR LINING UP THE NECESSARY BUSES AND SUPPORT FACILITIES FOR THE OPERATION TO COMMENCE IN SEPTEMBER 1993.

- - - - 0 - - - -

CONTRACT AWARD FOR FIRST SECTION OF NORTH LANTAU EXPRESSWAY
* * * * *

THE GOVERNMENT HAS AWARDED A \$3,503 MILLION FIXED PRICE LUMP SUM CONTRACT FOR THE CONSTRUCTION OF THE TAI HO SECTION OF THE NORTH LANTAU EXPRESSWAY TO LANTAU EXPRESSWAY JOINT VENTURE, A CONSORTIUM OF SIX COMPANIES FROM CHINA, NEW ZEALAND, AUSTRALIA, THE UNITED KINGDOM AND HONG KONG.

THE TAI HO SECTION OF THE NORTH LANTAU EXPRESSWAY WILL BE MAINLY BUILT ON RECLAIMED LAND ALONG THE LANTAU COAST.

/IT RUNS

IT RUNS BETWEEN TA PANG PO AND KEI TAU KOK, AND WILL FORM AN IMPORTANT PART OF THE ROAD TRANSPORT LINKS BETWEEN THE NEW AIRPORT AT CHEK LAP KOK AND THE URBAN AREAS OF HONG KONG.

THE CONTRACT PRICE OF \$3,503 MILLION, IN MONEY OF THE DAY FIGURES, INCLUDES SITE FORMATION FOR THE AIRPORT RAILWAY AT A PRICE OF \$444 MILLION, WHICH WILL GO AHEAD AFTER AN AGREEMENT HAS BEEN REACHED BETWEEN THE GOVERNMENT AND THE MASS TRANSIT RAILWAY CORPORATION (MTRC) FOR THE AIRPORT RAILWAY, AND WILL BE PAID FOR BY THE MTRC.

THE FIXED PRICE CONTRACT SUM FOR THE GOVERNMENT WORKS IS \$3,059 MILLION.

A GOVERNMENT SPOKESMAN SAID TODAY (TUESDAY) THAT THIS WAS WITHIN THE SUM SET ASIDE FOR THE TAI HO CONTRACT IN THE OVERALL APPROVED PROJECT ESTIMATE FOR THE NORTH LANTAU EXPRESSWAY OF \$5,431 MILLION, WHICH INCLUDED THE YAM O SECTION OF THE PROJECT.

THE \$5,431 MILLION IS IN MONEY OF THE DAY AND INCLUDES ESTIMATES FOR INFLATION DURING THE PERIOD OF THE FIXED PRICE CONTRACT AND IS BASED ON AN ORIGINAL ESTIMATE OF \$3,793 MILLION IN MARCH 1991 PRICES.

THE CONTRACT AWARD WAS APPROVED BY THE CENTRAL TENDER BOARD ON MAY 28. IT IS TO BE SIGNED ON JUNE 11.

WORKS WILL START NEXT WEEK AND BE COMPLETED IN FOUR-AND-A-HALF YEARS.

LANTAU EXPRESSWAY JOINT VENTURE SUBMITTED THE LOWEST OF SEVEN TENDERS RECEIVED BY THE HIGHWAYS DEPARTMENT.

THE TENDER SUMS RANGED FROM ITS PRICE OF \$3,503 MILLION UP TO \$5,399 MILLION.

THE JOINT VENTURE COMPRISES:

- * CHINA FUJIAN CORPORATION FOR INTERNATIONAL TECHNO-ECONOMIC COOPERATION (PRC)
- * DOWNER AND COMPANY LIMITED (NEW ZEALAND)
- * AMEC INTERNATIONAL CONSTRUCTION LTD (UK)
- * ELTIN LIMITED (AUSTRALIA)
- * CHINA INTERNATIONAL WATER & ELECTRIC CORPORATION (PRC)
- * UNIVERSAL DOCKYARD LIMITED (HONG KONG).

TUESDAY, JUNE 2, 1992

- 4 -

P1 CENTRAL ALLOCATION RESULTS OUT ON SATURDAY

* * * * *

RESULTS OF THE CENTRAL ALLOCATION OF PRIMARY ONE PLACES WILL BE RELEASED ON SATURDAY (JUNE 6).

ANNOUNCING THE DETAILS TODAY (TUESDAY), A SPOKESMAN FOR THE EDUCATION DEPARTMENT SAID 17,088 CHILDREN OUT OF A TOTAL OF 24,308 REGISTERED FOR CENTRAL ALLOCATION WOULD BE ALLOCATED PLACES IN SCHOOLS OF THEIR PARENTS' FIRST THREE CHOICES.

HE SAID PARENTS SHOULD RETURN TO THEIR OWN DISTRIBUTION-COLLECTION CENTRE ON SATURDAY OR SUNDAY (JUNE 7) FROM 9.30 AM TO 12.30 PM AND 1.30 PM TO 4.30 PM TO COLLECT AN ALLOCATION SLIP SHOWING THE NAME AND ADDRESS OF THE SCHOOL TO WHICH THEIR CHILD HAS BEEN ALLOCATED, TOGETHER WITH THE DATES FOR REGISTRATION AND GUIDANCE NOTES.

THEY SHOULD COMPLETE REGISTRATION FORMALITIES ON JUNE 10 OR 11.

REGISTRATION HOURS FOR AM SCHOOLS ARE FROM 9 AM TO NOON AND FOR PM SCHOOLS FROM 2 PM TO 5 PM. FOR WHOLE-DAY SCHOOLS, THE REGISTRATION HOURS ARE FROM 9 AM TO NOON AND FROM 2 PM TO 4 PM.

THE SPOKESMAN SAID PARENTS WHO FOR PERSONAL REASONS COULD NOT REGISTER THEIR CHILD MUST CONTACT THE SCHOOL DIRECT OR THE EDUCATION DEPARTMENT'S PRIMARY ONE ADMISSION UNIT BEFOREHAND FOR ALTERNATIVE ARRANGEMENTS.

"PARENTS FAILING TO REGISTER THEIR CHILD ON THE SPECIFIED DATES WITHOUT MAKING PRIOR ARRANGEMENTS WOULD BE DEEMED TO HAVE GIVEN UP THE ALLOCATION," HE SAID.

"UPON REGISTRATION, THE ALLOCATION SLIP SHOULD BE SURRENDERED TO THE SCHOOL AND PARENTS MUST NOTE THAT ALL PLACES ALLOCATED ARE FINAL AND NO RE-ALLOCATION IS POSSIBLE."

PARENTS WHO HAVE SPECIAL DIFFICULTIES, SUCH AS HAVING MOVED TO ANOTHER DISTRICT RESULTING IN THEIR SCHOOL BEING TOO FAR FROM THEIR NEW HOME, ARE ADVISED TO CALL AT THE PRIMARY ONE ADMISSION UNIT AT 269 QUEEN'S ROAD EAST, WAN CHAI, TO SEEK HELP.

THEY SHOULD BRING ALONG THE ORIGINAL AND COPIES OF SUPPORTING DOCUMENTARY PROOF SUCH AS RENTAL RECEIPTS, RATES DEMAND NOTES, WATER AND ELECTRICITY BILLS BEARING THE NAME OF THE PARENT OR THE GUARDIAN OF THE CHILD.

"IF THEIR REQUEST IS JUSTIFIED, THE PRIMARY ONE ADMISSION UNIT WILL TRY TO FIND ANOTHER PLACE FOR THEIR CHILD AT A SCHOOL NEARER TO THEIR NEW HOME," THE SPOKESMAN SAID.

/"SHOULD PARENTS

TUESDAY, JUNE 2, 1992

- 5 -

"SHOULD PARENTS FIND IT NECESSARY TO CHANGE SCHOOL AFTER REGISTRATION, THEY ARE ADVISED TO OBTAIN ASSURANCE OF ACCEPTANCE FROM ANOTHER SCHOOL BEFORE RETRIEVING THE ALLOCATION SLIP FROM THE ORIGINAL SCHOOL TO CANCEL THE ORIGINAL ALLOCATION."

PARENTS OF CHILDREN WHO HAVE SECURED A DISCRETIONARY PLACE AND HAVE ALREADY REGISTERED WITH A SCHOOL LATE LAST YEAR NEED NOT REPEAT THE REGISTRATION FORMALITIES, HE ADDED.

PARENTS WHO HAVE FURTHER ENQUIRIES MAY CONTACT THE PRIMARY ONE ADMISSION UNIT ON TEL 572 4383. THE ENQUIRY SERVICE WILL REMAIN OPEN FROM 9 AM TO 12.30 PM AND FROM 1.30 PM TO 4.30 PM ON BOTH SATURDAY AND SUNDAY (JUNE 6 AND 7).

- - - - 0 - - - -

APPLICATIONS FOR 10 RETRAINING COURSES INVITED

* * * * *

APPLICATIONS FOR ENROLMENT IN 10 RETRAINING COURSES FOR INDUSTRIES WITH A LARGE NUMBER OF VACANCIES AND A HIGH DEMAND FOR IMPORTED LABOUR WILL START TOMORROW (WEDNESDAY).

THE COURSES, DUE TO BEGIN IN JULY, ARE ORGANISED IN COLLABORATION WITH THE VOCATIONAL TRAINING COUNCIL, THE CLOTHING INDUSTRY TRAINING AUTHORITY AND THE HONG KONG COLLEGE OF TECHNOLOGY.

THEY INCLUDE:

- * HOTEL HOUSEKEEPING AND CLEANING SERVICES;
- * BASIC RETAIL SALES TECHNIQUE;
- * PRINT FINISHING;
- * COMPUTERISED CHINESE TYPESETTING;
- * SHIPPING AND DOCUMENTATION FOR CLOTHING INDUSTRY;
- * PREPARATION OF PRODUCTION ORDER;
- * SAMPLE MAKING;
- * IN-LINE Q.C. INSPECTION;
- * GARMENT FITTING ALTERATION; AND
- * CHINESE DATA ENTRY.

LOCAL WORKERS WHO MEET THE FOLLOWING CRITERIA MAY APPLY FOR THE COURSES:

- * HONG KONG PERMANENT RESIDENTS AGED ABOVE 30;

/* HAVE BEEN

- * HAVE BEEN WITH THE SAME EMPLOYER OR INDUSTRY FOR AT LEAST TWO YEARS AND HAVE LOST THEIR JOB OR ARE ABOUT TO LOSE THEIR JOB BECAUSE THEIR PLANT OR BUSINESS HAS CLOSED DOWN OR MOVED OR THEIR POSITION OR SHIFT HAS BEEN ABOLISHED, OR NOT ENOUGH WORK IS AVAILABLE FOR THEM TO DO, OR THAT THEY WISH TO ACQUIRE A NEW SKILL OR UPGRADE THEIR EXISTING SKILLS; AND
- * HAVE THE NECESSARY APTITUDE, EDUCATION AND PHYSIQUE REQUIRED BY THE RELEVANT RETRAINING PROGRAMMES.

APPLICATION FORMS ARE AVAILABLE AT DISTRICT OFFICES, BRANCH OFFICES OF LABOUR DEPARTMENT'S LOCAL EMPLOYMENT SERVICE (LES), THE VOCATIONAL TRAINING COUNCIL, THE CLOTHING INDUSTRY TRAINING AUTHORITY AND THE CONSTRUCTION INDUSTRY TRAINING AUTHORITY.

"AN ALLOWANCE OF \$2,800 PER MONTH WILL BE GIVEN TO WORKERS UNDERGOING RETRAINING TO MEET THEIR BASIC NEEDS," A SPOKESMAN FOR THE EDUCATION AND MANPOWER BRANCH SAID TODAY (TUESDAY).

"THE LES WILL HELP WORKERS WHO HAVE COMPLETED RETRAINING TO FIND JOB.

"EMPLOYERS WHO WISH TO EMPLOY RETRAINED WORKERS MAY ALSO APPROACH LES FOR HELP," HE ADDED.

FURTHER INFORMATION ON THE RETRAINING COURSES CAN BE OBTAINED FROM LES ON TEL 606 2145.

- - - - 0 - - - -

PROVISIONAL RETAIL SALES FIGURES FOR MARCH RELEASED

* * * * *

THE VALUE OF TOTAL RETAIL SALES IN MARCH THIS YEAR, ESTIMATED AT \$12 BILLION, INCREASED BY 20% WHEN COMPARED WITH THE SAME MONTH LAST YEAR, ACCORDING TO STATISTICS RELEASED TODAY (TUESDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

AFTER DISCOUNTING THE EFFECT OF PRICE CHANGES OVER THE PERIOD, TOTAL RETAIL SALES INCREASED BY 13% IN VOLUME TERMS.

THE INCREASE WAS MAINLY ATTRIBUTABLE TO THE CONTINUED GROWTH IN CONSUMER SPENDING ON MOTOR VEHICLES, JEWELLERY, WATCHES AND CLOTHING.

SALES OF MOTOR VEHICLES IN MARCH CONTINUED TO REGISTER THE LARGEST INCREASE OVER THE SAME MONTH LAST YEAR, BY 69% IN VALUE AND 57% IN VOLUME.

SALES OF CONSUMER DURABLE GOODS OTHER THAN MOTOR VEHICLES WENT UP BY 19% IN VALUE AND 16% IN VOLUME OVER A YEAR AGO.

SALES OF CLOTHING, FOOTWEAR AND ALLIED PRODUCTS WENT UP 17% IN VALUE AND 6% IN VOLUME AS COMPARED WITH THE SAME MONTH LAST YEAR.

SALES OF JEWELLERY, WATCHES, CLOCKS AND VALUABLE GIFTS IN MARCH RECORDED AN INCREASE OF 34% IN VALUE AND 38% IN VOLUME. THE RAPID YEAR-ON-YEAR GROWTH IN THE SALES OF THESE ITEMS WAS PARTLY DUE TO A CONTINUED LOW LEVEL OF GOLD PRICES.

SALES IN SUPERMARKETS AND OTHER FOODSTUFF OUTLETS IN MARCH BOTH INCREASED BY 8% IN VALUE BUT DROPPED SLIGHTLY BY 1% AND 2% RESPECTIVELY IN VOLUME, OVER A YEAR AGO.

COMPARING THE PERIOD JANUARY TO MARCH THIS YEAR WITH THE SAME PERIOD LAST YEAR, TOTAL RETAIL SALES ROSE BY 20% IN VALUE AND 14% IN VOLUME.

COMPARED WITH FEBRUARY 1992, AND BEARING IN MIND THAT THIS COMPARISON MAY BE AFFECTED BY SEASONAL FACTORS, TOTAL RETAIL SALES IN MARCH 1992 INCREASED BY 6% IN BOTH VALUE AND VOLUME TERMS.

CHANGES IN THE VOLUME OF RETAIL SALES ARE DERIVED FROM FIGURES ON THE VALUE OF RETAIL SALES AFTER HAVING ADJUSTED FOR PRICE CHANGES. THE RELEVANT COMPONENTS OF THE CONSUMER PRICE INDEX ARE USED AS INDICATORS OF PRICE CHANGES.

A REPORT ANALYSING THE MARCH 1992 RESULTS IS ON SALE AT \$1.5 PER COPY AT THE GOVERNMENT PUBLICATIONS SALES CENTRE, GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, CENTRAL; AND THE PUBLICATIONS SALES COUNTER OF CENSUS AND STATISTICS DEPARTMENT, 19/F, WANCHAI TOWER I, WAN CHAI.

ENQUIRIES MAY BE DIRECTED TO THE WHOLESALE AND RETAIL TRADE STATISTICS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL 802 1258.

NOTE TO EDITORS:

TABLE 1 PRESENTS THE REVISED TOTAL RETAIL SALES FIGURE FOR FEBRUARY 1992 AND THE PROVISIONAL FIGURE FOR MARCH 1992.

TABLE 2 SHOWS THE VALUE AND VOLUME INDEXES OF RETAIL SALES IN FEBRUARY AND MARCH 1992 FOR ALL RETAIL OUTLETS AND BY TYPE OF RETAIL OUTLET, WITH AVERAGE RETAIL SALES FROM OCTOBER 1989 TO SEPTEMBER 1990 TAKEN AS 100. COMPARISONS OF MARCH 1992 RESULTS WITH THOSE FOR FEBRUARY 1992 AND MARCH 1991, AND COMPARISONS OF RETAIL SALES IN THE PERIOD JANUARY TO MARCH OF 1992 WITH THE SAME PERIOD IN 1991 ARE ALSO GIVEN.

TABLE 1 : TOTAL RETAIL SALES

Total Retail Sales for March 1992 (Provisional Figure) = HK\$12,041.1 million
 for February 1992 (Revised Figure) = HK\$11,332.2 million

TABLE 2 : VALUE AND VOLUME INDEXES OF RETAIL SALES FOR FEBRUARY 1992 AND MARCH 1992

(Monthly average of Oct. 89 - Sept. 90 = 100)

Item	Index of Retail Sales	February 1992		March 1992		March 1992 compared with February 1992		March 1992 compared with March 1991		Jan.-Mar. 1992 compared with Jan.-Mar. 1991	
		(Revised figures)	(Provisional figures)	Points	%	Points	%	Points	%		
(A) FOR ALL RETAIL OUTLETS											
	Value	120.7	128.2	+7.5	+6.3	+21.6	+20.2	+22.6	+20.4		
	Volume	107.7	113.8	+6.1	+5.6	+13.5	+13.4	+14.6	+13.9		
(B) BY TYPE OF RETAIL OUTLET											
Foodstuffs, alcoholic drinks and tobacco (other than supermarkets)	Value	99.8	115.5	+15.7	+15.7	+8.2	+7.7	+9.7	+9.2		
	Volume	81.0	95.9	+15.0	+18.5	-2.0	-2.0	-2.1	-2.1		
Supermarkets	Value	128.4	122.1	-6.3	-4.9	+8.7	+7.7	+13.8	+12.4		
	Volume	108.1	101.8	-6.3	-5.8	-0.5	-0.5	+3.5	+3.4		
Fuels	Value	107.1	127.8	+20.7	+19.3	+4.0	+3.2	+4.8	+4.1		
	Volume	84.1	99.9	+15.8	+18.8	-2.3	-2.3	-0.8	-0.8		
Clothing, footwear and allied products	Value	123.5	118.0	-5.5	-4.5	+17.5	+17.4	+23.7	+19.9		
	Volume	110.8	104.4	-6.4	-5.8	+6.2	+6.3	+11.8	+10.2		
Consumer durable goods ^a	Value	133.1	150.1	+17.0	+12.7	+42.3	+39.2	+43.9	+42.6		
	Volume	120.2	134.8	+14.6	+12.2	+32.9	+32.3	+34.8	+35.3		
- Motor vehicles and parts	Value	180.3	177.0	-3.3	-1.8	+72.0	+68.6	+95.4	+107.2		
	Volume	155.2	151.8	-3.3	-2.1	+55.1	+56.9	+76.3	+92.0		
- Consumer durable goods other than motor vehicles and parts	Value	99.0	130.6	+31.6	+31.9	+20.7	+18.9	+6.7	+5.9		
	Volume	94.9	122.5	+27.6	+29.1	+16.9	+16.0	+4.7	+4.3		
Department stores	Value	119.4	107.9	-11.5	-9.6	+16.9	+18.6	+19.3	+17.4		
	Volume	107.1	94.4	-12.8	-11.9	+6.5	+7.4	+8.8	+8.2		
Jewellery, watches and clocks, and valuable gifts	Value	114.2	145.9	+31.7	+27.7	+36.6	+33.5	+30.5	+30.0		
	Volume	114.3	145.4	+31.1	+27.2	+40.3	+38.3	+36.0	+36.6		
Other consumer goods not elsewhere classified	Value	127.9	125.8	-2.0	-1.6	+13.2	+11.7	+12.4	+9.7		
	Volume	114.3	109.5	-4.8	-4.2	+1.1	+1.0	+0.9	+0.8		

NOTE : ^a This covers both "Motor vehicles and parts" and "Consumer durable goods other than motor vehicles and parts".

TUESDAY, JUNE 2, 1992

- 9 -

GOVT DEVOTED TO TACKLING ILLICIT TRADE PRACTICE

* * * * *

THE DIRECTOR-GENERAL OF TRADE, MR DONALD TSANG, SAID THE TRADE DEPARTMENT MAY HAVE TO TAKE MUCH STRONGER MEDICINE TO TACKLE ANY ILLICIT TRADE PRACTICE SO AS TO PROTECT HONG KONG'S GOOD NAME.

ADDRESSING A LUNCHEON MEETING OF THE CITY LIONS CLUB TODAY (TUESDAY), HE SAID HE WOULD, IF NECESSARY, SEEK ADDITIONAL LEGAL POWERS AND RESOURCES TO ATTACK THE PROBLEM OF ILLEGAL TRANSHIPMENT.

HE ALSO CALLED ON TRADERS TO REPORT ANY ORIGIN OR TRANSHIPMENT FRAUD.

MR TSANG SAID TRANSHIPMENT FRAUD OF A DIFFERENT KIND WAS DISCOVERED RECENTLY.

THERE HAD BEEN CASES OF TEXTILE PRODUCTS PASSING THROUGH HONG KONG WITH THE INTENTION OF CHEATING THE IMPORTING COUNTRY BY FRAUDULENT ORIGIN DECLARATIONS EXECUTED OUTSIDE HONG KONG.

THE PRIMARY RESPONSIBILITY FOR COMBATTING ILLEGAL TRANSHIPMENT OF THIS SORT LAY WITH THE THIRD COUNTRY UNDER WHOSE QUOTA THE GOODS WERE EXPORTED TO THE MARKET.

"NEVERTHELESS, TO THE EXTENT WE CAN, WE WILL WISH TO STOP HONG KONG BEING INVOLVED IN SUCH ILLEGAL ACTIVITIES," MR TSANG SAID.

"OUR TRADING PARTNERS HAVE ALSO SHOWN INCREASING CONCERN THAT HONG KONG MIGHT BECOME A FAVOURABLE PORT FOR SUCH ILLEGALLY TRANSHIPPED GOODS.

"IN PARTICULAR, THERE HAVE BEEN ALLEGATIONS OF HONG KONG PEOPLE ACTING AS THE MIDDLEMEN OR MASTERMINDS BEHIND ILLEGAL TRANSHIPMENTS.

"TO PROTECT HONG KONG'S GOOD NAME, THE TRADE DEPARTMENT WILL ATTACK THIS PROBLEM OF ILLEGAL TRANSHIPMENT. IF NECESSARY, I SHALL SEEK ADDITIONAL LEGAL POWERS AND RESOURCES FOR THE PURPOSE," MR TSANG SAID.

WHILST NO SYSTEM WAS PERFECT, MR TSANG WAS PROUD OF HONG KONG'S TEXTILE EXPORT CONTROL SYSTEM WHICH HAD BEEN RECOGNISED WORLDWIDE TO BE ONE OF THE BEST.

NOT SO LONG AGO, AT A FORMAL HEARING IN THE U.S. CONGRESS ON TEXTILE FRAUD, HONG KONG WAS PRAISED FOR PROVIDING THE BEST CO-OPERATION IN THE WORLD TO THE U.S. CUSTOMS IN STAMPING OUT TEXTILE FRAUD.

"TO PROTECT OUR TRADE WE MAY HAVE TO TAKE MUCH STRONGER MEDICINE.

"MY COLLEAGUES AND I ARE EXAMINING WHETHER WE CAN FURTHER TIGHTEN OUR CONTROL SYSTEM AND THE CONDITIONS UNDER WHICH IT OPERATES.

/"WE MAY

TUESDAY, JUNE 2, 1992

- 10 -

"WE MAY HAVE TO CONSIDER IMPOSING ORIGIN MARKING REQUIREMENT AND CERTIFICATE OF ORIGIN REQUIREMENT EVEN FOR TRANSHIPPED GOODS OR RE-EXPORTS," MR TSANG SAID.

HE ADDED THAT HE WAS ALWAYS CONSCIOUS NOT TO CAUSE INCONVENIENCE TO OR IMPOSE ADDITIONAL BURDEN ON THE HONEST TRADER.

"MUCH WILL DEPEND ON HOW SUCCESSFUL WE WILL CONTINUE TO BE IN FIGHTING AGAINST FRAUDULENT ACTIVITIES IN THE TEXTILE TRADE AND HOW THIS SUCCESS IS PERCEIVED ELSEWHERE."

HE URGED LOCAL TRADERS TO CO-OPERATE AS THEY WERE IN THE BEST POSITION TO KNOW WHETHER ANY OF THEIR COMPETITORS WERE FLOUTING OUR CONTROLS.

"IF THEY METICULOUSLY REPORT ANY ORIGIN OR TRANSHIPMENT FRAUD THEY WILL NOT ONLY HELP TO PROTECT HONG KONG'S GOOD NAME, THEY WILL HELP THEMSELVES BY REDUCING UNFAIR COMPETITION AND THE NEED TO RESORT TO ANY DRASTIC CONTROL MEASURES AFFECTING THE WHOLE TRADE," HE SAID.

MR TSANG CLARIFIED IT WAS NOT THAT THE ILLEGAL TRANSHIPMENT PROBLEM HAD RUN OUT OF CONTROL, AS UNFOUNDED ALLEGATIONS IN SOME NEWSPAPERS MIGHT HAVE REPORTED.

HE SAID THE GOVERNMENT TOOK A VERY SERIOUS ATTITUDE TOWARDS ANY MALPRACTICE RELATING TO THE IMPORT AND EXPORT OF GOODS.

"THE INTEGRITY OF OUR SYSTEM IS PARAMOUNT. THE RELEVANT PROVISIONS IN THE LAW HAVE PROVIDED A POWERFUL MEANS TO COMBAT ORIGIN FRAUD.

"OFFENCES RELATING TO LICENSING AND ORIGIN CERTIFICATION ARE LIABLE TO A MAXIMUM PENALTY OF HK\$0.5 MILLION AND TWO YEARS' IMPRISONMENT. FOR LABELING OFFENCES, THE MAXIMUM PENALTY IS HK\$0.5 MILLION AND IMPRISONMENT UP TO FIVE YEARS.

"PROSECUTIONS RELATING TO TEXTILES ORIGIN FRAUD AND FALSE LABELING IN 1991 RESULTED IN TOTAL FINES OF \$30 MILLION. IMPRISONMENT SENTENCES OF UP TO 18 MONTHS HAVE ALSO BEEN IMPOSED.

"IN ADDITION TO PROSECUTION, THE TRADE DEPARTMENT TAKES ADMINISTRATIVE ACTION TOWARDS LICENSING AND QUOTA MALPRACTICES. COMPANIES ARE NORMALLY REQUIRED TO SURRENDER TO THE DEPARTMENT THE AMOUNT OF ANY QUOTAS MISUSED," MR TSANG SAID.

HE ADMITTED THAT HONG KONG'S STRATEGIC POSITION AS A CONVENIENT TRANSPORT CENTRE HAD ITS GREAT BLESSINGS BUT ALSO ITS PROBLEMS.

"AT THE VERY EARLY DAYS OF OUR TEXTILES EXPORT CONTROL EXPERIENCE WE HAD THE PROBLEM OF HONG KONG TEXTILE GOODS DISGUISED AS GOODS OF A DIFFERENT ORIGIN IN ORDER TO BY-PASS THE QUOTA REQUIREMENT FOR EXPORT.

"RELENTLESS GOVERNMENT ENFORCEMENT WORK AND THE RISING LABOUR COST IN HONG KONG HAVE CURED THIS PROBLEM. WHAT THEN TOOK ITS PLACE WAS THE PROBLEM OF NON-HONG KONG GOODS TRYING TO USE OUR QUOTA FOR EXPORT.

/"TO DEAL

"TO DEAL EFFECTIVELY WITH THIS PROBLEM, WE HAVE IN PLACE A WELL ESTABLISHED TEXTILE EXPORT CONTROL SYSTEM WHICH IS BACKED UP BY LAW AND VIGOROUSLY ENFORCED BY THE HONG KONG CUSTOMS," MR TSANG SAID.

HE EXPLAINED THAT UNDER THE SYSTEM, EXPORTERS AND IMPORTERS WERE REQUIRED TO BE REGISTERED WITH THE TRADE DEPARTMENT AND TOOK OUT EXPORT AND IMPORT LICENCES FOR ALMOST ALL EXPORTS, IMPORTS AS WELL AS RE-EXPORTS OF TEXTILES PRODUCTS.

WHERE HONG KONG QUOTAS WERE USED TO COVER DOMESTIC EXPORTS, THE MANUFACTURER WAS REQUIRED TO ENSURE THAT THE GOODS WERE OF HONG KONG ORIGIN AND THERE WERE EFFECTIVE SANCTIONS AGAINST ANY MISUSE OF QUOTAS.

FOR CERTAIN MARKETS SUCH AS THE USA AND THE EEC, TRADERS WERE FURTHER REQUIRED TO TAKE OUT CERTIFICATES OF ORIGIN FOR THE PURPOSE OF ASCERTAINING THE ORIGIN OF THE GOODS.

BESIDES, THE LAW ALSO MADE IT AN OFFENCE IN HONG KONG TO ARRANGE FOR FALSE LABELING, EVEN IF THE ACTUAL LABELING WAS CARRIED OUT OUTSIDE HONG KONG.

"ALTHOUGH THE HONG KONG TEXTILES AND GARMENT INDUSTRIES ARE NOWADAYS ASSUMING GRADUALLY LESS IMPORTANCE THAN TWO OR THREE DECADES AGO, THEY ARE STILL OUR LARGEST INDUSTRIAL SECTORS WITH ROUGHLY 300,000 IN THEIR WORKFORCE.

"THERE ARE OVER 12,000 TEXTILE FACTORIES AND THEY ARE VERY MUCH ALIVE. ACTUAL MANUFACTURING IS TAKING PLACE HERE EVERY DAY, AND NOT JUST DESIGNING, PRODUCTION PLANNING AND QUALITY CONTROL OF THE TEXTILE GOODS AS SOME HAVE SUGGESTED.

"OUR FACTORIES POSSESS MORE THAN ADEQUATE AND MODERN MANUFACTURING CAPACITY TO SUSTAIN THE PRESENT LEVEL OF TEXTILE EXPORTS AND ARE MAKING GOOD USE OF IT. OF COURSE, WHERE NO QUOTA OR ORIGIN REQUIREMENT IS INVOLVED, A MANUFACTURER IS FREE TO CHOOSE THE MOST PROFITABLE PLACE TO PRODUCE HIS GOODS.

"THIS LATTER POINT IS NOT ALWAYS CLEARLY UNDERSTOOD AND HAS GIVEN RISE TO UNHELPFUL SPECULATION," HE SAID.

LASTLY, MR TSANG CONCLUDED BY SAYING THAT HE TOOK IT AS HIS FIRST DUTY TO MONITOR HONG KONG'S TEXTILE CONTROL SYSTEM VIGILANTLY AND IMPROVE UPON IT AS NEEDED.

"WE WOULD NOT LET OUR SYSTEM TO BE EVEN THE SECOND BEST IN THE WORLD," HE SAID.

HK BENEFITS FROM ASIA-PACIFIC GROWTH

* * * * *

HONG KONG HAS BEEN ABLE TO ACHIEVE IMPRESSIVE ECONOMIC PROGRESS BY TAKING ADVANTAGE OF THE FAST ECONOMIC GROWTH AND DEVELOPMENT IN THE ASIA-PACIFIC REGION AND ITS INTIMATE AND COMPLEMENTARY ECONOMIC RELATIONSHIP WITH CHINA.

THIS WAS STATED BY THE DIRECTOR-GENERAL OF INDUSTRY, MR T.H. BARMA, WHEN HE SPOKE ON "INVESTMENT OPPORTUNITIES FOR JAPANESE BUSINESSES" AT AN INDUSTRIAL INVESTMENT PROMOTION SEMINAR IN TOKYO TODAY (TUESDAY).

MR BARMA SAID ASIA-PACIFIC WAS RECKONED TO BE THE FASTEST GROWING AND MOST DYNAMIC REGION IN THE WORLD, ACCOUNTING FOR HALF OF THE WORLD'S GROSS NATIONAL PRODUCT AND ONE-THIRD OF WORLD TRADE.

"IN THE LAST DECADE, ASIAN-PACIFIC ECONOMIES GREW AT AN AVERAGE OF 8% A YEAR OVERALL. FOR THOSE WHICH HAVE BEEN DUBBED NEWLY INDUSTRIALISED ECONOMIES OR DYNAMIC ASIAN ECONOMIES, THE GROWTH WAS EVEN FASTER, AT 12% PER ANNUM," HE SAID.

HE SAID AN AVERAGE GROWTH RATE OF MORE THAN 6% A YEAR WAS PREDICTED FOR THE DEVELOPING ECONOMIES IN THE REGION IN THE NEXT DECADE, WHICH WAS MORE THAN DOUBLE THAT OF THE EXPECTED GROWTH FOR COUNTRIES IN THE ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT.

MR BARMA SAID HONG KONG WAS NOW THE 10TH LARGEST TRADING ENTITY IN THE WORLD.

"AMONG HONG KONG'S TOP 20 TRADING PARTNERS, 12 ARE FROM THE ASIA-PACIFIC REGION," HE SAID.

"IN 1991, THE ASIA-PACIFIC REGION ACCOUNTED FOR 78% OF HONG KONG'S TOTAL TRADE. OUR EXPORTS TO THE REGION GREW AT AN AVERAGE ANNUAL RATE OF 14% DURING THE LAST DECADE TO REACH A TOTAL OF US\$20 BILLION IN 1991," HE ADDED.

ON HONG KONG'S ECONOMIC RELATIONSHIP WITH CHINA, MR BARMA SAID THE ADVANTAGES OF HAVING SOUTHERN CHINA SUPPORTING HONG KONG WERE SIGNIFICANT.

FIRSTLY, HE SAID, THE AVAILABILITY OF A VAST INDUSTRIAL HINTERLAND ALLEVIATED SOME OF THE CONSTRAINTS ON INDUSTRIAL GROWTH IN HONG KONG.

"SECONDLY, THE SHIFTING OF HONG KONG'S LABOUR INTENSIVE ASSEMBLY OPERATIONS INTO SOUTHERN CHINA HAS CREATED A STRONG DEMAND FOR HONG KONG TO BECOME A SUPPORT BASE NOT ONLY IN PROVIDING A VARIETY OF SERVICES BUT ALSO IN THE SUPPLY OF MATERIALS, PARTS, COMPONENTS AND TOOLING.

"THIS REINFORCES THE DEVELOPMENT OF OUR LINKAGE INDUSTRIES," HE SAID.

/THIRDLY, THE

THIRDLY, THE RELOCATION PROCESS HAD ENABLED HONG KONG MANUFACTURERS AND THEIR WORKFORCE TO CONCENTRATE ON THE MORE SKILL-INTENSIVE ACTIVITIES LOCALLY, THEREBY CONTRIBUTING DIRECTLY TO THE SUBSTANTIAL IMPROVEMENT IN LABOUR PRODUCTIVITY IN THE MANUFACTURING SECTOR.

"FOR EXAMPLE THE RATIO OF THE INDUSTRIAL PRODUCTION INDEX TO THE MANUFACTURING EMPLOYMENT INDEX IN 1991 ROSE BY 12% OVER 1990, FOLLOWING AN INCREASE OF 9% FOR 1990," HE SAID.

MR BARMA SAID AN IMPORTANT PART OF HONG KONG'S EVOLUTION WAS THAT IT RECOGNISED THAT IT COULD NOT COMPETE WITH THE LOW-COST LABOUR OF NEIGHBOURING COUNTRIES IN SOUTH EAST ASIA AND CHINA.

"TO MOVE INTO THE 21ST CENTURY WITH CONTINUED VIGOUR, WE NEED TO UPGRADE OUR TECHNOLOGY BASE," HE SAID.

"WE NEED TO ANTICIPATE FUTURE TECHNOLOGY NEEDS AND OPPORTUNITIES, AND TRY AND PUT THE NECESSARY TECHNOLOGY INFRASTRUCTURE INTO PLACE NOW IF WE ARE TO BECOME A PREMIER CENTRE IN ASIA IN THESE AREAS," HE SAID.

- - - - 0 - - - -

37 INMATES PASS PUBLIC EXAMS

* * * * *

THIRTY-SEVEN INMATES FROM THE CAPE COLLINSON CORRECTIONAL INSTITUTION, LAI KING TRAINING CENTRE AND TAI TAM GAP CORRECTIONAL INSTITUTION RECEIVED CERTIFICATES THIS (TUESDAY) AFTERNOON FOR PASSING PUBLIC EXAMINATIONS.

THEY OBTAINED A TOTAL OF 13 DISTINCTIONS, TWO CREDITS AND 42 PASSES IN PITMAN EXAMINATIONS, LONDON CHAMBER OF COMMERCE AND INDUSTRY EXAMINATIONS AND CITY AND GUILDS OF LONDON INSTITUTE EXAMINATIONS.

THE HONORARY SECRETARY OF THE DUTY FREE SHOPPERS CHARITABLE TRUST COMMITTEE, MR J. ROGER THOMAS, PRESENTED CERTIFICATES TO THEM AT A CEREMONY HELD AT CORRECTIONAL SERVICES DEPARTMENT'S STAFF TRAINING INSTITUTE.

MR THOMAS ALSO PRESENTED A CHEQUE FOR \$50,000 FROM THE DUTY FREE SHOPPERS CHARITABLE TRUST TO THE DEPARTMENT'S PRISONERS EDUCATION TRUST FUND.

THE FUND WAS SET UP TO SUBSIDISE COURSE FEES, EXAMINATION FEES AND THE PURCHASE OF BOOKS FOR PRISONERS WITH FINANCIAL DIFFICULTIES.

- - - - 0 - - - -

TUESDAY, JUNE 2, 1992

- 14 -

TWO GOVT PRIMARY SCHOOLS INVITE ENROLMENT
* * * * *

TWO GOVERNMENT PRIMARY SCHOOLS WILL MAKE AVAILABLE A NUMBER OF PRIMARY 2 TO 6 PLACES FOR CHILDREN IN THE NEXT ACADEMIC YEAR.

CHILDREN AGED SIX YEARS AND EIGHT MONTHS OR OVER ON SEPTEMBER 1 THIS YEAR CAN APPLY FOR ADMISSION TO THE KAI TAK SCHOOL IN HONG KEUNG STREET, SAN PO KONG AND KOWLOON DOCKS MEMORIAL SCHOOL IN TSING CHAU STREET, HUNG HOM.

BOTH SCHOOLS WILL OPERATE WHOLE-DAY CLASSES IN SEPTEMBER.

AN EDUCATION DEPARTMENT SPOKESMAN SAID APPLICATION FORMS WOULD BE AVAILABLE FROM THE TWO SCHOOLS FROM TOMORROW (WEDNESDAY), ADDING THAT COMPLETED FORMS SHOULD BE RETURNED TO THE SCHOOLS BY JUNE 10.

- - - - 0 - - - -

OUT-PATIENT CLINICS TO CLOSE ON TUEN NG DAY
* * * *

THE DEPARTMENT OF HEALTH TODAY (TUESDAY) ANNOUNCED THAT THERE WILL BE NO HOLIDAY AND EVENING GENERAL OUT-PATIENT CLINIC SERVICES ON JUNE 5 (FRIDAY) WHICH IS THE TUEN NG FESTIVAL.

- - - - 0 - - - -

HONG KONG GOVERNMENT EXCHANGE FUND
TENDER RESULTS
* * * * *

TENDER DATE	2 JUNE 92
PAPER ON OFFER	EF BILLS
ISSUE NUMBER	Q223
AMOUNT APPLIED	HKD 2,050 MN
AMOUNT ALLOTTED	HKD 500 MN
AVERAGE YIELD ACCEPTED	2.92 PCT
HIGHEST YIELD ACCEPTED	2.93 PCT
PRO RATA RATIO	ABOUT 57 PCT
AVERAGE TENDER YIELD	3.00 PCT

/HONG KONG

- 15 -

HONG KONG GOVERNMENT EXCHANGE FUND

TENDER TO BE HELD IN THE WEEK BEGINNING 8 JUNE 1992 -

TENDER DATE	9 JUNE 92	9 JUNE 92
PAPER ON OFFER	EF BILLS	EF BILLS
ISSUE NUMBER	Q224	H266
ISSUE DATE	10 JUNE 92	10 JUNE 92
MATURITY DATE	9 SEPT 92	9 DEC 92
TENOR	91 DAYS	182 DAYS
AMOUNT ON OFFER	HK\$500 + 100 MN	HK\$200 + 60 MN

- - - - 0 - - - -

HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

* * * * *

	DATE	\$ MILLION
	----	-----
CLOSING BALANCE IN THE ACCOUNT ON	1.6.92	988
EFFECT OF FORWARDS TO BE SETTLED ON	2.6.92	-60
EFFECT OF OPERATIONS THIS MORNING		+60
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL

TRADE WEIGHTED INDEX 111.5 **0.3* 2.6.92

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS

HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.92 PCT	18 MONTHS	2311	6.25	102.43	4.57
1 MONTH	2.85 PCT	21 MONTHS	2402	5.50	101.15	4.84
3 MONTHS	2.89 PCT	24 MONTHS	2405	5.50	100.85	5.10
6 MONTHS	3.25 PCT					
12 MONTHS	3.94 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 13,652MN

CLOSED 2 JUNE 1992

- - - - 0 - - - -