



DAILY INFORMATION BULLETIN

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Broad estimate of Special 301 Action's potential impact
on HK's economy completed

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The Government has completed a broad estimate of the potential impact on Hong Kong's economy, if the US impose punitive tariffs on Chinese products on the retaliation list which the US Government published on February 4 under its Special 301 provisions.

The US list of Chinese products includes such articles as plastic articles, answering machines and cellular phones, sporting goods, wooden articles and bicycles, with a total value of about US\$1.08 billion.

"If the US list was to be implemented, because of the 100 per cent punitive tariff, it is possible that up to 2.3 per cent or HK\$4.5 billion (US\$0.58 billion) of Hong Kong's re-exports from China to the US would be affected," a Trade Department spokesman said.

"Taking into account the likely spill-over effects on other trading and economic activities, this could affect up to 4,700 jobs in Hong Kong and up to 0.14 of a percentage point of the GDP growth in the year of incidence." "The actual impact on specific sectors would vary, depending on the circumstances of the individual industries or companies in Hong Kong," the spokesman said.

On Government's further action, the spokesman reiterated that the matter was a bilateral trade issue between China and the US, and should be resolved by the two sides through bilateral negotiations.

"We are pleased to note that the two sides will continue talks on February 14. It remains our hope that there the talks will lead to a mutually satisfactory solution, thus averting any retaliation," the spokesman said.

"At the same time we have been providing the trade with information and analyses. We are also aware, through contacts with the relevant trade associations, that some industries would like to have specific, technical advice on how they might be affected, if the list was implemented.

"We have approached these trade organisations to offer such advice. Where possible we will consider providing similar specific information and advice to traders who are concerned about the matter," he said.

"The Government will continue to take vigorous enforcement action within Hong Kong to stamp out violations of intellectual property rights," the spokesman added.

"We will bring forward legislative amendments to increase the penalties for infringement of copyright, and provide additional resources to the Customs and Excise Department to combat infringement activity."

Note to editors:

Further enquiries can be directed to Mr Stanley Ying, Assistant Director-General of Trade, on telephone 2398 5308.

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Gross Domestic Product for third quarter of 1994

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Hong Kong's Gross Domestic Product (GDP) in the third quarter of 1994 grew by 5.5% in real terms over the same quarter in 1993, according to the preliminary estimates released by the Census and Statistics Department today (Thursday). Among the main components of the GDP estimates, Private Consumption Expenditure grew by 5.7% in real terms in the third quarter of 1994 over the same quarter in 1993.

Over the same period, Government Consumption Expenditure (defined in national accounts terms) increased by 3.5% in real terms.

Gross Domestic Fixed Capital Formation continued to grow significantly by 11.8% in real terms in the third quarter of 1994 over the same quarter in 1993.

Within this component, expenditure on construction showed a significant increase of 17.0%, while expenditure on machinery and equipment also recorded a substantial growth of 14.7%.

Regarding external trade in goods, total exports grew by 10.8% in real terms in the third quarter of 1994 over a year earlier.

Within these, re-exports continued to provide the main impetus to growth, and registered a year-on-year growth rate of 13.8% in real terms.

Domestic exports recorded a marginal decrease of 0.3% in real terms, showing clear signs of bottoming out from the earlier declines.

Imports rose by 14.7% in real terms in the third quarter of 1994 over a year earlier.

On exports of services, the growth rate in real terms rose to 7.7% in the third quarter of 1994 over the same quarter in 1993.

Underlying this growth was a significant increase in the various services closely related to visible trade. The corresponding growth rate for imports of services was 7.4%.

The implicit price deflator of GDP, as a broad measure of overall inflation in the economy, rose by 6.4% in the third quarter of 1994 over the same quarter in 1993.

According to the revised (February 95) estimates, the year-on-year growth rates in real terms of GDP for the first and second quarters of 1994 are revised slightly, to 5.6% and 5.3% respectively.

Based on the latest estimates, GDP grew by 5.4% in real terms in the first three quarters of 1994 over the same period in 1993.

The latest GDP figures for the period from the first quarter of 1992 to the third quarter of 1994 are presented in Tables 1 and 2.

The latest quarterly estimates of GDP for the same period are published in a report entitled "Quarterly Estimates of Gross Domestic Product, 3rd Quarter 1994".

This bilingual report is now on sale at \$6.5 a copy at the Government Publications Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway, Hong Kong; and at the Publications Section of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

Telephone enquiries may be directed to the National Income Branch (1) of the Census and Statistics Department on telephone 2582 5077.

Table 1 Expenditure-based GDP Estimates
first quarter of 1992 to third quarter of 1994

<u>Year/quarter</u>	<u>GDP at Current Market Prices</u>		<u>GDP at Constant (1990) Market Prices</u>	
	<u>HK\$ Mn</u>	<u>% change over same period of the preceding year</u>	<u>HK\$ Mn</u>	<u>% change over same period of the preceding year</u>
1992	779,335	16.6	650,347	6.3
1993	897,595	15.2	688,344	5.8
1992 Q1	174,086	18.4	149,908	6.0
Q2	186,268	17.3	155,430	6.4
Q3	206,923	16.0	171,883	6.8
Q4	212,058	15.1	173,126	5.8
1993 Q1	204,052	17.2	159,284	6.3
Q2	214,086	14.9	163,817	5.4
Q3	237,245	14.7	181,960	5.9
Q4	242,212	14.2	183,283	5.9
1994 Q1	233,754	14.6	168,128	5.6
Q2	245,193	14.5	172,444	5.3
Q3	266,481	12.3	191,997	5.5

Table 2 Expenditure-based GDP Estimates
Year-on-year Growth Rates, first quarter of 1993 to third quarter of 1994

Expenditure Components of GDP	% change over same period of the preceding year															
	At current market prices									At constant (1990) market prices						
	1993					1994				1993					1994	
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3
Private consumption expenditure	13.7	14.8	12.0	15.8	14.1	19.3	15.8	14.6	7.7	9.0	6.3	7.7	7.7	12.2	7.2	5.7
Government consumption expenditure	11.5	14.5	12.7	12.9	12.9	15.4	15.4	15.2	0.8	3.6	1.8	1.9	2.0	4.4	4.1	3.5
Gross domestic fixed capital formation	18.0	16.9	15.4	11.5	15.3	28.3	20.5	15.6	6.3	5.0	3.9	-0.3	3.6	16.3	10.8	11.8
of which : Construction	9.7	14.2	17.9	10.4	12.9	29.3	14.5	18.9	8.0	13.3	12.7	4.2	9.3	22.6	8.0	17.0
Machinery and equipment	21.6	17.4	8.8	3.5	11.9	15.3	16.5	15.9	16.8	8.8	1.4	-2.4	5.2	8.4	13.9	14.7
Total exports of goods	18.4	12.4	14.3	8.8	13.1	8.6	11.3	12.6	19.1	11.8	14.6	9.8	13.5	7.7	11.3	10.8
Imports of goods	17.7	11.8	14.7	6.3	12.2	9.8	15.8	17.4	19.1	11.4	15.1	7.0	12.7	8.3	15.1	14.7
Exports of services	15.4	15.5	15.3	13.2	14.8	14.1	12.8	13.8	9.2	8.6	8.8	7.9	8.6	8.5	7.0	7.7
Imports of services	8.3	15.4	10.2	9.4	10.8	13.3	12.2	14.9	7.5	12.9	9.2	6.9	9.1	9.0	6.9	7.4
Gross Domestic Product	17.2	14.9	14.7	14.2	15.2	14.6	14.5	12.3	6.3	5.4	5.9	5.9	5.8	5.6	5.3	5.5

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Nominations Advisory Committee to be set up

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The Boundary and Election Commission (BEC) is to set up a Nominations Advisory Committee to provide advice to intended candidates for ascertaining their status well before an election.

The committee will also provide returning officers with timely and impartial advice, thus ensuring consistency in their decisions on the validity of any nominations in which they have doubts.

To provide for the setting up of the committee, the BEC has made the Boundary and Election Commission (Nominations Advisory Committee) Regulation to be gazetted tomorrow (Friday).

A BEC spokesman said the regulation was made in response to the public views and comments received in the last District Boards elections in September.

The proposal to set up the committee is contained in the BEC Report on the 1994 District Board Ordinary Elections submitted to the Governor on December 16 last year, which was made public on January 27.

The spokesman said there were complaints in the September elections that a prospective candidate could not obtain definitive advice on his qualification for candidature until the returning officer ruled on the validity of his nomination paper.

The candidate could have incurred a lot of time, effort and expenses well before the start of the nomination and these might be wasted if the returning officer eventually ruled his candidature invalid.

The regulation provides for the appointment by the BEC of one or more such committees. Each committee will consist of one member. He will be someone with professional or academic qualifications in law.

The functions of the committee are to provide free advice to:

- * any prospective candidate on whether he is qualified to be, or disqualified from being, nominated as a candidate in respect of a geographical, functional or election committee constituency election; and
- * any returning officer on whether a candidate for an election or by-election is qualified to be, or disqualified from being, so nominated in respect of that election or by-election.

The spokesman said the committee was to give advice to prospective candidates by a specified date, to be stipulated by the BEC in a gazette notice.

Normally, the process will start five to six months before an election and end on the day before the start of the relevant nomination period.

He said the committee would advise the returning officers from the start of a nomination period until seven days after its expiry.

The spokesman added that a returning officer would be required, in making a decision on the validity of a candidate, to have regard to any advice given by the committee on that candidate.

He said any advice given by the committee or refusal to give advice by the committee did not preclude a person from seeking nomination as a candidate, proceeding with a nomination or the presentation of an election petition.

He said the BEC aimed to set up the committee in late March for prospective candidates for the Legislative Council elections on September 17.

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Home Affairs Department to provide better services in 1995

The Home Affairs Department (HAD) will continue to improve its services to the public, the Director of Home Affairs, Mr Joseph W P Wong, said today (Thursday).

Speaking at a meet-the-media session, Mr Wong said the formation of the HAD since December 1 last year through the amalgamation of the two former Regional Headquarters had resulted in more efficient deployment of staff resources.

To enable members of the public to have a ready grasp of the wide range of services provided by the new department, a handbook has been compiled for public distribution.

The handbook explains the role of the department, the services it provides, and also gives the names, addresses and telephone/fax numbers of principal officers of the headquarters, District Offices and Public Enquiry Service Centres (PESC).

"It also features the HAD logo, which symbolises the essence of the department's work - serving as the interface between the Government and the community through the process of liaison, consultations and feedback," Mr Wong said.

"As it is the first edition of the handbook, we welcome any comments and suggestions so that we can make further improvements in the next issue."

The handbook is now available at all PESCs.

"One of the main tasks for HAD in 1995 is to build on the new departmental structure and to achieve greater efficiency through the application of modern management technology," Mr Wong said.

A proposal for a local area computer network to connect the headquarters with the 18 District Offices is currently under consideration.

"This network will enable timely collection and collation of information and community feedback on government policies and proposals at the district level.

"The estimated cost for the network is \$1.5 million, and the intention is that it will eventually link up with the Government Secretariat Branch network which is currently being extended to the senior directorate of the HAD.

"Another project being considered is the computerisation of our public enquiry services. This will include the setting up of a network to connect the 19 PESCs at District Offices with a central database in the headquarters. When implemented, this would result in quicker and better service to our enquirers."

"One of HAD's achievements in 1994 is the setting up of the first activity centre for overseas domestic helpers (ODH) at the Clementi Secondary School in December," Mr Wong recalled.

No problem has arisen so far and the centre has already been booked through until June by various ODH associations.

"This proves that with proper management, a centre for ODHs can operate in an orderly manner with no nuisance caused to nearby residents," Mr Wong maintained.

Initial assessment showed that the centre was not only welcomed by overseas domestic helpers but also supported by the community at large.

In view of the encouraging response, Mr Wong announced that two more centres - the Ho Tung Technical School in Causeway Bay and Jockey Club Government Technical School in Kowloon Tong - would be in operation this Sunday (February 12).

These two centres can accommodate about 250 and 300 ODHs respectively.

Meanwhile, two other centres at the Kowloon Technical School in Sham Shui Po and Yu Lee Mo Fan Memorial School in North Point are likely to be opened in March or April while those at the Chung Sing Benevolent Society School in Kennedy Town and the Yiu Dak Chi Memorial School in Mong Kok are expected to commence operation in mid-1995.

"As part of our many services to the public, HAD's works teams continue to make a very positive contribution to improving the living environment in both the New Territories and the urban areas," Mr Wong said.

The great majority of the projects are in the less developed areas of the New Territories, including footpaths, van tracks, sitting-out areas, walking trails, tree-planting and improvements to drainage systems.

It is anticipated that over 1,330 minor environmental improvement projects will be completed in 1994/95 at a cost of some \$90 million. The estimated expenditure in 1995/96 is about \$100 million.

In addition, HAD has taken over the responsibility for the Rural Planning and Improvement Strategy (RPIS) Minor Works from the Territory Development Department since late 1994.

A RPIS minor works team has been established within the department and expects to meet its initial target expenditure of \$50 million projects in 1994/95.

To ensure that the works are carried out efficiently and speedily, a two-tier management system has been implemented.

This includes a Steering Committee chaired by the Director of Home Affairs and District Working Groups chaired by the respective New Territories District Officers.

Members of the Steering Committee include representatives from the Heung Yee Kuk and District Boards, and prominent non-officials in the districts sit on the District Working Groups.

"We aim to implement some \$150 million worth of projects in 1995/96," Mr Wong said.

"Apart from serving the District Boards, keeping close liaison with over 8,000 Mutual Aid Committees and owners' corporations continues to be an important part of the work of the HAD," Mr Wong said.

"HAD has been playing an active role in promoting effective private building management in the territory."

Publicity and education activities such as training courses, seminars, exhibitions, videos and publications are organised for owners and residents. More than \$500,000 will be used for these activities in the coming financial year.

"I am confident that all HAD staff are committed to providing a better service to our regular clients and the general public in a whole range of areas in 1995," Mr Wong concluded.

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Secondary school exhibition on Airport Core Programme

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The first joint school exhibition on the Airport Core Programme (ACP) will be opened tomorrow (Friday) afternoon.

The ACP Joint School Exhibition cum Competition, organised by the New Airport Projects Co-ordination Office (NAPCO), is part of the department's ongoing efforts to promote the 10 ACP projects among young people.

So far, NAPCO has successfully introduced two teaching kits - one for primary schools in February 1994 and the other for secondary schools in October last year. A series of seminars and boat tours of ACP projects areas have also been arranged for school principals and teachers.

"The exhibition cum competition aims at providing an opportunity for secondary school students to explore the social, economic and environmental impact of the ACP, as well as to develop their creativity and spirit of co-operation," said the Director of NAPCO, Mr Billy Lam.

Students from a total of 16 secondary schools are taking part in the exhibition to compete for eight awards. Each school has mounted its own booth to cover different aspects of the ACP. These include displays on the impact of the ACP on Hong Kong, the changing face of North Lantau, the new airport at Chek Lap Kok and its transport links.

The exhibition will be opened by Mr Lam; the Director of Education, Mr Lam Woon-kwong, and the Chairman of the Legislative Council Panel of Education, Mr Tik Chi-yuen tomorrow afternoon. It will be followed by a prize-presentation ceremony.

The exhibition will be open to the public from February 11 (Saturday) to 13 (Monday) daily between 10 am and 6 pm. Admission is free.

Attention News Editors:

You are invited to cover the opening and prize-presentation ceremony of the ACP Joint School Exhibition cum Competition which will be held at 2.30 pm tomorrow (Friday) in Room 601, sixth floor, Hong Kong Convention and Exhibition Centre, Harbour Road, Wan Chai.

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Cross Border Permit Office moves to Harbour Building

The Cross Border Permit Office of the Immigration Department will operate at new premises on the 10th floor of Harbour Building, 38 Pier Road, Central, on Monday (February 13).

The office hours are from 8.45 am to 4.30 pm from Mondays to Fridays, and from 9 am to 11.30 am on Saturdays.

The present office on the seventh floor, Immigration Tower, 7 Gloucester Road, Wan Chai, will be closed on completion of its service in the afternoon of Saturday (February 11).

For enquiries, members of the public may telephone 2824 6111.

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Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
Opening balance in the account	2,296	0930	nil
Closing balance in the account	1,715	1000	+70
Change attributable to :		1100	+478
Money market activity	+479	1200	+479
LAF today	-1,060	1500	+479
		1600	+479

LAF rate 4.25% bid/6.25% offer TWI 121.2 *-0.2* 9.2.95

Hong Kong Monetary Authority

EF bills		EF notes/Hong Kong Government bonds				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	6.07	16 months	2605	6.35	99.25	7.09
1 month	6.11	22 months	2611	6.90	99.52	7.31
3 months	6.38	30 months	3707	6.95	98.74	7.66
6 months	6.62	36 months	3801	8.00	100.84	7.82
12 months	6.95	59 months	5912	8.15	100.05	8.30

Total turnover of bills and bonds - \$19,762 million

Closed February 9, 1995

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