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CONTENTS

PAGE NO.

LEGISLATIVE COUNCIL MEETING:

TDC CHAIRMAN POINTS TO IMPRESSIVE DOMESTIC EXPORTS	1
INDUSTRIAL ESTATES CORPN REPORTS GOOD YEAR	2
MAJOR OVERHAUL OF TOBACCO DUTY STRUCTURE	4
INLAND REVENUE AMENDMENT BILL SUPPORTED	6
WIDESPREAD CONSULTATION WITH INDUSTRY ON POLLUTION CONTROLS ..	8
ANTI-SMOKING MEASURES TAKEN IN CORRECTIONAL INSTITUTIONS ..	10
POLICE GIVEN GUIDELINES ON CAUTIONS	10
LAW ON GAMBLING CONTROL MAY NEED CLARIFICATION	12
REGULAR CHECKS TO COMBAT ILLEGAL EMPLOYMENT OF CHILDREN ...	13
PLANS TO EXPAND OUTREACH SERVICES FOR ELDERLY	14
UK COUNCIL TO CONDUCT INSTITUTIONAL REVIEW OF POST-SECONDARY COLLEGE	15
DRIVING PENALTY POINTS SYSTEM CONSIDERED SATISFACTORY	16
ROAD SAFETY WARNING AGAINST EARPHONES	16
POLICE COMPUTER CHECKS AVERAGE 5,700 A DAY	17
FRESH LOOK AT LAW ON LOITERING	18
THREE BILLS PASSED	18
RAPID ECONOMIC GROWTH CONTINUED IN THE THIRD QUARTER	19
LICENCE OF TRAVEL AGENT SUSPENDED	22
LEGISLATIVE FRAMEWORK TO REGULATE SECURITY INDUSTRY SOON	23
PAC OPEN HEARINGS START TOMORROW	24
ID CARD REMINDER FOR MEN BORN IN 1963/64	25
DB MEMBERS LEARN ABOUT HOSPITAL REDEVELOPMENT PLAN	26
TENANCIES SOUGHT FOR TWO SITES	27

WEDNESDAY, NOVEMBER 25, 1987

- 1 -

TDC CHAIRMAN POINTS TO IMPRESSIVE DOMESTIC EXPORTS

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HONG KONG'S DOMESTIC EXPORTS ARE EXPECTED TO RECORD AN IMPRESSIVE GROWTH OF 20 PER CENT BY THE END OF THE YEAR, THE SENIOR MEMBER, THE HON LYDIA DUNN, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

TABLING THE 1986-87 ANNUAL REPORT OF THE TRADE DEVELOPMENT COUNCIL, OF WHICH SHE IS CHAIRMAN, MISS DUNN SAID THAT HONG KONG'S OVERALL TRADE PERFORMANCE RECOVERED WELL DURING THE YEAR UNDER REVIEW, WITH TOTAL TRADE INCREASING BY 18 PER CENT OVER THE PREVIOUS YEAR.

"DOMESTIC EXPORTS LED THE GROWTH WITH 19 PER CENT AND THIS TREND HAS CONTINUED DURING 1987," SHE SAID.

SHE SAID A NUMBER OF FACTORS HAD MADE THIS STRONG RESURGENCE POSSIBLE. THE APPRECIATION OF THE YEN AND EUROPEAN CURRENCIES HAD ENHANCED HONG KONG'S COMPETITIVENESS; GENERALLY STRONG CONSUMER DEMAND IN MAJOR MARKETS AND LIBERALISATION IN PREVIOUS RESTRICTED MARKETS HAD PROVIDED NEW TRADE OPPORTUNITIES.

"WE SHOULD ALSO GIVE CREDIT TO THE EFFORTS OF OUR MANUFACTURERS IN UPGRADING THE QUALITY AND RANGE OF GOODS AND IN MEETING THE CONSUMER DEMANDS OF EMERGING MARKETS SUCH AS JAPAN," SHE SAID.

IN THIS RESPECT, THE WORK OF THE TRADE DEVELOPMENT COUNCIL IN IMPROVING THE IMAGE OF HONG KONG PRODUCTS AND DISCOVERING MARKET POTENTIAL HAD CONTRIBUTED SIGNIFICANTLY, SHE ADDED.

MISS DUNN CAUTIONED THAT SUCH A FAVOURABLE COMBINATION OF CIRCUMSTANCES COULD NOT EXIST INDEFINITELY, AND THERE WAS NO ROOM FOR COMPLACENCY.

"THE COUNCIL'S EFFORTS WILL BE ALL THE MORE IMPORTANT IF THERE IS ANY SLOWDOWN IN THE INTERNATIONAL TRADING CLIMATE AFTER THE RECENT DISTURBANCE IN THE WORLD'S FINANCIAL MARKETS," SHE SAID.

SHE SAID THE TDC HAD PLANNED AN ENERGETIC PROGRAMME OF PROMOTIONAL EVENTS AND TRADE MISSIONS TO NEWER MARKETS SUCH AS JAPAN, KOREA AND CHINA IN ASIA, TO SPAIN AND TO TURKEY.

"WE WILL KEEP UP THE MOMENTUM IN ESTABLISHED MARKETS, COUNTERING RESTRICTIVE TRADE SENTIMENT IN THE U.S. AND EUROPE AS VIGOROUSLY AS WE CAN," SHE SAID.

IN RESPONSE TO INCREASING DEMAND FOR PARTICIPATION IN TRADE SHOWS AND EXHIBITIONS, THE TDC WAS EXTENDING ITS INVOLVEMENT IN LOCALLY ORGANISED EVENTS. CENTRAL TO THIS EXPANSION WAS THE NEW CONVENTION AND EXHIBITION CENTRE NOW UNDER CONSTRUCTION.

/SHE SAID

SHE SAID SHE WAS PLEASED TO REPORT EXCELLENT PROGRESS ON THE PROJECT. EARLIER THIS MONTH, THE TDC CELEBRATED THE TOPPING OUT OF THE SIX-STORY PODIUM JUST A LITTLE OVER A YEAR AFTER HER MAJESTY THE QUEEN LAID THE FOUNDATION STONE.

"WE ARE WELL ON SCHEDULE FOR OPENING THIS MAGNIFICENT CENTRE AT THE END OF NEXT YEAR," SHE SAID.

WITH A TOTAL AREA OF OVER 400,000 SQUARE METRES, INCLUDING TWO 9,000-SQUARE METRE EXHIBITION HALLS CAPABLE OF ACCOMMODATING 16,000 PEOPLE, THE CENTRE WOULD ENABLE HONG KONG TO CLAIM A LEADING POSITION IN THE INTERNATIONAL CONVENTION AND EXHIBITION BUSINESS.

"THE MANAGEMENT HAS ALREADY EMBARKED ON AN EXTENSIVE MARKETING PROGRAMME AND ALREADY REPORTS CONFIRMED BOOKINGS OF ALMOST 200 MAJOR INTERNATIONAL CONVENTION EVENTS OF MORE THAN ONE DAY," SHE SAID.

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INDUSTRIAL ESTATES CORPN REPORTS GOOD YEAR

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THE HONG KONG INDUSTRIAL ESTATES CORPORATION HAS DISPOSED OF ABOUT 10.7 HECTARES OF LAND THROUGH 16 AGREEMENTS FOR LEASE IN THE PAST YEAR, AND THIS NEARLY DOUBLES THE AVERAGE ANNUAL FIGURE ACHIEVED OVER THE 10 YEARS OF THE CORPORATION'S EXISTENCE.

THE HON STEPHEN CHEONG SAID THIS IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY) WHEN PRESENTING THE HONG KONG INDUSTRIAL ESTATES CORPORATION ANNUAL REPORT FOR 1986-87. MR CHEONG IS THE CHAIRMAN OF THE CORPORATION'S BOARD OF DIRECTORS.

NOTING THAT LAND SALES AT THE YUEN LONG INDUSTRIAL ESTATE HAD EXCEEDED THOSE AT THE TAI PO INDUSTRIAL ESTATE FOR THE FIRST TIME, MR CHEONG SAID THAT, WITH THE GOVERNMENT'S AMBITIOUS PLANS FOR UPGRADING THE INFRASTRUCTURE OF THE NORTHWEST NEW TERRITORIES, HE WAS SURE YUEN LONG WOULD PROVE TO BE AN INCREASINGLY ATTRACTIVE LOCATION FOR BOTH FOREIGN AND DOMESTIC INVESTORS.

DURING THE YEAR, SIX SINGLE-STORY STANDARD FACTORIES HAD BEEN COMPLETED AND ALL WERE OCCUPIED BY THE END OF 1986. TO ASSIST THOSE MANUFACTURERS WHO WISHED TO START PRODUCTION WITH A MINIMUM OF DELAY, TWO MORE UNITS WERE TO BE BUILT AT YUEN LONG AND THESE SHOULD BE READY FOR OCCUPATION BY THE END OF 1988, HE ADDED.

"THANKS TO THE FAVOURABLE RESULTS ACHIEVED IN TERMS OF LAND DISPOSAL, THE CORPORATION MADE A SUBSTANTIAL REPAYMENT TO THE DEVELOPMENT LOAN FUND OF \$112.3 MILLION.

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"ALSO, LAND FORMATION WORKS ON THE TWO ESTATES CAME TO AN END IN THE SUMMER OF THIS YEAR, AND FURTHER EXPENDITURE IS THUS REDUCED TO THE MINIMUM LEVELS REQUIRED FOR JUST ADMINISTRATION AND ESTATE MANAGEMENT," MR CHEONG SAID.

TURNING TO PROSPECTS FOR 1987-88, MR CHEONG SAID THE SITUATION WAS VERY ENCOURAGING, AS IN THE FIRST SEVEN MONTHS OF THIS YEAR, THE CORPORATION HAD ALREADY BROKEN THE RECORD FOR A FULL YEAR, SET IN 1985-86, BY DISPOSING OF ABOUT 11.5 HECTARES OF LAND.

FURTHERMORE, REVENUE IN THE FIRST SIX MONTHS HAD AMOUNTED TO ABOUT \$110 MILLION, WHICH ALMOST DOUBLED THE CORPORATE TARGET.

MR CHEONG SAID THAT, IN THE FULL YEAR, THE CORPORATION EXPECTED TO HAVE DISPOSED OF ABOUT 20 HECTARES OF LAND. LONGER TERM, ASSUMING THAT ADVERSE EFFECTS OF THE RECENT WORLDWIDE STOCK MARKET CRASH WOULD NOT PRECIPITATE A DEEP RECESSION OVER THE NEXT FEW YEARS, IT WAS CONFIDENT THAT IT WOULD BE ABLE TO MEET ITS OBLIGATION TO THE DEVELOPMENT LOAN FUND IN FULL.

TURNING TO THE FUTURE, MR CHEONG WARNED THAT THERE WAS NO ROOM FOR COMPLACENCY, AS LAND SUPPLY AT TAI PO WOULD BE VIRTUALLY EXHAUSTED BY THE END OF 1987-88, LEAVING SOME 50 HECTARES OF LAND AVAILABLE, ALL AT YUEN LONG.

"AT THE PRESENT RATE OF LAND DISPOSAL, WHATEVER SUPPLY THAT IS AVAILABLE AT YUEN LONG COULD WELL BE EXHAUSTED WITHIN FIVE YEARS' TIME. ALSO IT IS A FACT THAT ANY INFRASTRUCTURAL PLANNING AND DEVELOPMENT REQUIRES A LONG LEAD TIME."

FOR THESE REASONS, THE CORPORATION HAD ASKED THE GOVERNMENT TO GRANT A SITE TO DEVELOP HONG KONG'S THIRD INDUSTRIAL ESTATE, MR CHEONG SAID, ADDING THAT HE WAS PLEASED TO REPORT THAT THIS PROJECT HAD BEEN ENDORSED IN PRINCIPLE BY THE INDUSTRY DEVELOPMENT BOARD AND, HOPEFULLY, THE FIRST PHASE OF A NEW ESTATE WOULD BE READY FOR OCCUPATION IN 1992-93.

MR CHEONG SAID THAT THE OVERSEAS AND LOCAL INVESTMENT PROJECTS ATTRACTED TO THE ESTATES REPRESENTED A CLEAR, STRONG VOTE OF CONFIDENCE IN THE ABILITY OF THE LOCAL WORKFORCE TO ABSORB NEW TECHNOLOGIES AND SKILLS.

ADDITIONALLY, THE ESTATES HAD SUCCEEDED IN ATTRACTING A NUMBER OF COMPANIES WHICH PRODUCED THE SORT OF PRECISION COMPONENTS, PARTS AND SMALL MECHANISMS THAT HONG KONG'S MAIN-LINE MANUFACTURERS NEEDED FOR THE ASSEMBLY OF HIGH QUALITY PRODUCTS.

"THESE INVESTORS REPRESENT A GROWING FORCE IN OUR SUPPORTING AND LINKAGE INDUSTRIES AND IT IS PERHAPS SIGNIFICANT THAT, OUT OF 541 FOREIGN COMPANIES SURVEYED FOR THEIR ACTIVITIES IN 1986, NO FEWER THAN 42 PER CENT EXPRESSED SATISFACTION OVER THE IMPROVING QUALITY OF THESE VITAL INDUSTRIES," MR CHEONG SAID.

FINALLY, HE SAID THE ESTATES HAD ALREADY PROVED THEIR WORTH IN PROMOTING THE QUALITY OF HONG KONG'S INDUSTRIAL BASE, AND IN THE YEARS AHEAD THEY WOULD BE OF IMMENSE IMPORTANCE TO THE TERRITORY'S INDUSTRIAL DEVELOPMENT.

WEDNESDAY, NOVEMBER 25, 1987

- 4 -

MAJOR OVERHAUL OF TOBACCO DUTY STRUCTURE

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THE FINANCIAL SECRETARY, MR PIERS JACOBS, TODAY (WEDNESDAY) ANNOUNCED A MAJOR OVERHAUL OF THE CURRENT TOBACCO DUTY STRUCTURE.

WITH IMMEDIATE EFFECT, DUTY ON CIGARETTES WILL NO LONGER BE LEVIED ON A WEIGHT BASIS. INSTEAD, IT WILL BE LEVIED ON A "PER CIGARETTE" BASIS AND APPLIED ONLY TO THOSE CIGARETTES WHICH ARE DESTINED FOR THE LOCAL MARKET, WHETHER THEY ARE LOCALLY MADE OR IMPORTED.

MR JACOBS TOLD THE LEGISLATIVE COUNCIL THAT A PUBLIC REVENUE PROTECTION ORDER PROVIDING FOR THE CHANGE HAD BEEN SIGNED, AND HE EXPLAINED THAT THE KEY AIMS WERE SIMPLICITY AND EVENHANDEDNESS.

"THE NEW SYSTEM WILL HAVE A NUMBER OF ADVANTAGES. IT WILL BE EASY TO ADMINISTER. IT WILL OBIVATE THE NEED FOR A DRAWBACK SYSTEM. AND IT WILL REMOVE PROBLEMS ASSOCIATED WITH MANUFACTURING LOSS ALLOWANCE AND WEIGHT ADJUSTMENTS.

"IN ADDITION, IT WILL PROVIDE US WITH AN OPPORTUNITY TO REMOVE THE DUTY DIFFERENTIAL BETWEEN LOCALLY MADE AND IMPORTED CIGARETTES, AND THIS WILL NO DOUBT BE WELCOMED BY OUR TRADING PARTNERS," MR JACOBS SAID.

ON THE BASIS THAT THE CURRENT LEVEL OF REVENUE YIELD IS TO BE MAINTAINED AND ASSUMING NO CHANGE IN CONSUMPTION PATTERN, MR JACOBS ANNOUNCED A UNIFORM DUTY RATE OF \$165 PER 1,000 CIGARETTES FOR BOTH LOCAL AND IMPORTED BRANDS.

DUTIES ON OTHER TOBACCO PRODUCTS, SUCH AS CIGARS AND SNUFF, WILL CONTINUE TO BE LEVIED ACCORDING TO WEIGHT, GIVEN THEIR IMMENSE DIVERSITY IN SIZE AND QUALITY.

MR JACOBS STRESSED THAT THE DUTY RATE WAS INTENDED TO BE "REVENUE NEUTRAL" AS REGARDS THE OVERALL DUTY PAID ON PRODUCTS RELEASED TO THE LOCAL MARKET.

"IN FACT, HOWEVER, THIS CHANGE IS LIKELY TO RESULT IN A REDUCTION IN THE DUTY REVENUE COLLECTED IN THE CURRENT FINANCIAL YEAR BY SOME \$290 MILLION. THE BULK OF THIS FIGURE REPRESENTS THE DUTY THAT, ON THE CURRENT SYSTEM, WOULD HAVE BEEN COLLECTED IN 1987-88 BUT LATER PAID BACK TO MANUFACTURERS IN 1988-89 IN RESPECT OF EXPORTED CIGARETTES.

"IN THE NEXT FINANCIAL YEAR REVENUE WILL NOT BE DISTORTED BY PRE-PAYMENTS AND DRAWBACKS, AND SHOULD REVERT TO A LEVEL SIMILAR TO THAT EXPERIENCED IN PREVIOUS YEARS," MR JACOBS SAID.

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- 5 -

HE SAID THAT IF HE HAD LEFT THE CHANGE UNTIL THE NEXT BUDGET, IT WOULD MERELY HAVE MEANT THAT THE EFFECTS OF ANY REVENUE DISTORTION WOULD MOSTLY HAVE BEEN FELT IN 1988-89 INSTEAD OF IN THIS FINANCIAL YEAR. INTRODUCING THE CHANGES NOW WOULD HAVE THE ADVANTAGE OF CONFINING ALL THE DISTORTION WITHIN THIS FINANCIAL YEAR. THIS WOULD ENABLE THE NEW SYSTEM TO OPERATE THROUGHOUT 1988-89.

"I SHOULD STRESS AGAIN THE NATURE OF THIS DISTORTION. IT DOES NOT REPRESENT A GIFT TO THE MANUFACTURERS. IT SIMPLY REPRESENTS THE EARLIER THAN USUAL REPAYMENT OF MONEY THAT WOULD BE DUE TO THEM ANYWAY IN RESPECT OF TOBACCO PRODUCTS EXPORTED FROM HONG KONG," HE SAID.

ON THE EFFECT OF THE REMOVAL OF THE DIFFERENTIAL ON LOCAL MANUFACTURERS, MR JACOBS SAID ALTHOUGH IT WAS DIFFICULT TO MAKE A DETAILED ASSESSMENT, IT WAS PERHAPS USEFUL TO NOTE THAT OVER 30 PER CENT OF LOCALLY MADE CIGARETTES WERE EXPORTED AND THUS WERE CURRENTLY ELIGIBLE FOR DRAWBACK OF DUTIES.

ADDITIONALLY, UNDER THE NEW DUTY REGIME ALL MANUFACTURERS WILL GAIN THE BENEFIT OF AVOIDING THE NEED TO PREPAY DUTY, AND THEN IN DUE COURSE TO APPLY FOR DRAWBACK OF DUTY, ON PRODUCTS DESTINED FOR EXPORT.

"FURTHERMORE, THE RATE OF DIFFERENTIAL HAS BEEN REDUCED OVER THE YEARS, AND GOVERNMENT HAS ON A NUMBER OF OCCASIONS STATED ITS INTENTION OF ELIMINATING THE DIFFERENTIAL ALTOGETHER. THE LOCAL TRADE HAS BEEN WARNED THAT GOVERNMENT COULD NOT ASSURE THEM FOREVER THE RELATIVE BENEFITS THAT THEY HAVE ENJOYED IN THE PAST," MR JACOBS SAID.

CONCERNING THE EFFECT ON CIGARETTE RETAIL PRICES, MR JACOBS EXPECTS IT TO VARY BETWEEN BRANDS DEPENDING ON THEIR CURRENT TOBACCO WEIGHT CONTENTS. HEAVIER THAN AVERAGE CIGARETTES WILL ATTRACT LESS DUTY THAN BEFORE. LIGHTER THAN AVERAGE CIGARETTES WILL ATTRACT MORE DUTY THAN BEFORE.

"THERE WILL BE 'WINNERS' AND 'LOSERS' AMONGST BOTH IMPORTED AND LOCALLY MANUFACTURED BRANDS. AS REGARDS ACTUAL RETAIL PRICES, IT WILL BE UP TO THE MANUFACTURERS TO DECIDE WHETHER OR NOT TO ABSORB DUTY INCREASES INTO CURRENT RETAIL PRICES AND CONVERSELY WHETHER OR NOT PASS ON THE BENEFITS OF DUTY DECREASES TO CONSUMERS," HE SAID.

THE FINANCIAL SECRETARY WILL IN DUE COURSE INTRODUCE INTO THE COUNCIL AN AMENDMENT BILL TO THE DUTIABLE COMMODITIES ORDINANCE TO FORMALISE THE CHANGES.

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WEDNESDAY, NOVEMBER 25, 1987

- 6 -

INLAND REVENUE AMENDMENT BILL SUPPORTED

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TWO MEMBERS OF THE LEGISLATIVE COUNCIL, THE HON PETER POON AND DR THE HON HELMUT SOHMEN, TODAY (WEDNESDAY) SPOKE IN SUPPORT OF THE INLAND REVENUE (AMENDMENT) (NO. 2) BILL WHICH SOUGHT TO EXEMPT FROM LIABILITY TO HONG KONG SALARIES TAX ANY INCOME THAT A PERSON DERIVED FROM SERVICES RENDERED OUTSIDE HONG KONG IF IT COULD BE ESTABLISHED THAT TAX HAD BEEN PAID THERE IN RESPECT OF SUCH INCOME.

SPEAKING IN THE COUNCIL DURING THE RESUMED DEBATE ON THE BILL, MR POON SAID THE BILL WAS FAIR AS IT TOOK AWAY THE ELEMENT OF DOUBLE TAX IMPOSED BY HONG KONG.

MR POON, CONVENOR OF THE AD HOC GROUP THAT STUDIED THE BILL, SAID THE GROUP RECEIVED TWO REPRESENTATIONS AND HAD ONE MEETING WITH THE ADMINISTRATION. MEMBERS WERE GENERALLY SATISFIED WITH THE EXPLANATIONS GIVEN BY THE ADMINISTRATION ON THE POINTS RAISED IN THESE REPRESENTATIONS.

MEMBERS ALSO UNDERSTOOD THAT CONSULTATION HAD BEEN UNDERTAKEN WITH VARIOUS PROFESSIONAL AND OTHER BODIES, INCLUDING CHAMBERS OF COMMERCE, BEFORE THE BILL WAS PUBLISHED AND THE BILL HAD BEEN REFINED AS A RESULT OF SUCH CONSULTATION.

"ONE DIFFICULTY, HOWEVER, DESERVES OUR CONCERN: THE BILL REQUIRES THAT TAX SHOULD BE PAID BEFORE RELIEF IS GIVEN.

"BECAUSE OF THE DIFFERENCE IN THE TIME OF ASSESSMENT OR THE PAYMENT OF TAX ELSEWHERE, EVIDENCE OF PAYMENT OF TAX MAY NOT BE ABLE TO BE PROVIDED BY THE TAXPAYER WHEN THE SALARIES TAX ASSESSMENT IS MADE BY THE COMMISSIONER OF INLAND REVENUE IN HONG KONG," MR POON EXPLAINED.

NEVERTHELESS, THE COMMISSIONER HAD ASSURED THE AD HOC GROUP THAT HE WOULD BE PREPARED, IN APPROPRIATE CIRCUMSTANCES, TO HOLD OVER SUCH TAX ON PRODUCTION OF PROOF OF OVERSEAS TAX LIABILITY AND DISCHARGE THE TAX ON SUBSEQUENT PRODUCTION OF EVIDENCE OF PAYMENT.

"THIS SOLUTION APPEARS TO BE FAIR AND ACCEPTABLE AND I HOPE THAT THE FINANCIAL SECRETARY CAN CONFIRM THE ARRANGEMENTS IN HIS REPLY," MR POON SAID.

HE ADDED THAT THE AD HOC GROUP DID NOT CONSIDER REASONABLE OR APPROPRIATE THE SUGGESTION THAT HONG KONG SHOULD GIVE UP TAX DUE TO IT BY HONG KONG EMPLOYEES ON INCOME EARNED FOR SERVICES RENDERED IN HONG KONG MERELY BECAUSE OTHER COUNTRIES TAXED THEM ON A WORLDWIDE BASIS ON ACCOUNT OF CITIZENSHIP OR RESIDENCE.

DR SOHMEN SAID THE PROPOSED LEGISLATION WENT A LONG WAY TO ACHIEVING DOUBLE TAXATION RELIEF IN AN EQUITABLE MANNER CREATING, HOPEFULLY, FEWER ADMINISTRATIVE DIFFICULTIES.

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ON THE ONE HAND, PROVISIONS IN THE BILL WERE MORE PRECISE THAN AUTOMATIC TIME APPORTIONMENT FOR PERSONS SUBJECT TO SALARIES TAX RENDERING SERVICES OUTSIDE HONG KONG FOR MORE THAN 60 DAYS IN TOTAL.

ON THE OTHER HAND, THE PROVISIONS WERE MORE SWEEPING IN A SENSE, SINCE ONCE THE CONDITIONS IN SECTION 2 OF THE BILL WERE MET, HONG KONG TAX RELIEF WAS FULLY AVAILABLE IRRESPECTIVE OF THE ACTUAL QUANTUM OF TAX PAID IN THE OTHER JURISDICTION, DR SOHMEN NOTED.

"WHILE TAX LAWS ARE MORE REGULARLY COMMENTED UPON OR CRITICISED BY THOSE DEFENDING THE POSITION OF THE TAXPAYERS, AS LEGISLATORS WE MUST ASSURE OURSELVES THAT PROPOSED TAX LEGISLATION ALSO ADEQUATELY PROTECTS THE REVENUE," HE CONTINUED.

AS SUCH, HE WAS CONCERNED THAT THE TERMINOLOGY IN CLAUSE 2(C)(I) OF THE BILL - REFERRING TO "SUBSTANTIALLY THE SAME NATURE AS SALARIES TAX" WHEN DESCRIBING THE INCOME CHARGEABLE TO TAX ELSEWHERE - MIGHT CREATE LOOPHOLES THROUGH INTERPRETATIVE DIFFICULTIES IN DETERMINING WHETHER SUCH INCOME WAS OF THE SAME NATURE.

"AFTER ALL, MOST OTHER JURISDICTIONS DO NOT HAVE AS SIMPLE A TAX STRUCTURE AS HONG KONG," HE NOTED.

THE AD HOC GROUP, HOWEVER, RECEIVED REPLIES FROM THE ADMINISTRATION TO THE EFFECT THAT SINCE SALARIES TAX IN HONG KONG WAS GENERALLY RECOGNISED AS SUBSTANTIALLY SIMILAR TO INCOME TAX ELSEWHERE, THE ADMINISTRATION COULD SEE FEW PROBLEMS ARISING IN THE APPLICATION OF THIS PROVISION.

MOREOVER, THE ADMINISTRATION ADVISED THAT THE VERIFICATION OF ACTUAL TAX PAID ELSEWHERE WOULD CREATE NO PRACTICAL DIFFICULTIES.

"THESE ASSURANCES, TOGETHER WITH THE OTHER CLARIFICATIONS WHICH WILL BE MADE BY WAY OF PRACTICE NOTES AS MENTIONED BY MR PETER POON, MAKE ME CONFIDENT THAT THIS BILL IS A GOOD ONE.

"I AM NOT BOTHERED BY THE DISTINCTION BETWEEN HONG KONG AND NON-HONG KONG EMPLOYMENTS WHICH WILL CONTINUE TO BE DRAWN IF WE MAINTAIN OUR SOURCE-BASED SYSTEM.

"THE ALLEGED DISADVANTAGES TO HONG KONG BELONGERS IN COMPARISON TO EXPATRIATES UNDER THE SCOPE OF THIS BILL ARE NOT OF A NATURE THAT WOULD SUGGEST A NEED FOR A CHANGE IN THE APPROACH," DR SOHMEN CONCLUDED.

WINDING UP THE DEBATE ON THE BILL, THE FINANCIAL SECRETARY, THE HON PIERS JACOBS, SAID THAT HE WAS GRATEFUL FOR THE COMMENTS MADE BY MR POON AND DR SOHMEN, AND FOR THEIR SUPPORT.

HE SAID: "MR POON HAS REFERRED TO A DIFFICULTY WHICH MIGHT ARISE WHERE AT THE TIME HONG KONG TAX IS ASSESSED, FOREIGN TAX, ALTHOUGH CHARGEABLE, HAS NOT ACTUALLY BEEN PAID.

"I CAN CONFIRM THAT IN THIS SITUATION, THE COMMISSIONER OF INLAND REVENUE WILL, WHERE JUSTIFIED, APPLY THE DISCRETIONARY POWERS HE HAS UNDER THE ORDINANCE TO HOLD OVER PAYMENT OF THE HONG KONG TAX.

"UPON APPLICATION, THE COMMISSIONER WILL HOLD OVER PAYMENT OF THAT PART OF THE TAX ASSESSED WHICH IS ATTRIBUTABLE TO SERVICES RENDERED IN THE FOREIGN TERRITORY.

"ONCE THE FOREIGN TAX HAS BEEN PAID AND PROOF THEREOF SUBMITTED BY THE TAXPAYER, THE HONG KONG TAX WILL BE DISCHARGED."

MR JACOBS ALSO NOTED THAT DR SOHMEN'S INITIAL CONCERN OVER THE PHRASE "SUBSTANTIALLY THE SAME NATURE AS SALARIES TAX" HAD BEEN RELIEVED BY ASSURANCES GIVEN AT A MEETING BETWEEN THE AD HOC GROUP AND THE ADMINISTRATION.

"THE COMMISSIONER HAS ALSO ASSURED ME THAT ON THIS POINT THAT HE FORESEES NO REAL DIFFICULTY.

"HE WILL ENLARGE UPON THE PHRASE IN THE PRACTICE NOTE TO BE ISSUED AFTER THIS BILL HAS BECOME LAW WITH A VIEW TO PREVENTING ANY MISUNDERSTANDING AS TO JUST WHAT TAXES HE REGARDS AS SUBSTANTIALLY THE SAME NATURE AS OUR SALARIES TAX," HE SAID.

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WIDESPREAD CONSULTATION WITH INDUSTRY ON POLLUTION CONTROLS

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BEFORE POLLUTION CONTROL LEGISLATION IS INTRODUCED, THERE IS ALWAYS WIDESPREAD CONSULTATION WITH INDUSTRIAL BODIES AND THE ENVIRONMENTAL PROTECTION DEPARTMENT DOES GIVE TECHNICAL ADVICE ON POLLUTION MATTERS, THE SECRETARY FOR HEALTH AND WELFARE, THE HON JOHN CHAMBERS, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY PROFESSOR THE HON POON CHUNG-KWONG, MR CHAMBERS SAID: "WHERE LEGISLATION IS ALREADY IN PLACE, SPECIFIC INFORMATION IS SUPPLIED ON AIR POLLUTION ABATEMENT MEASURES, CHIMNEY APPLICATIONS, SEWAGE, WASTE WATER TREATMENT AND SIMILAR MATTERS.

"FORMAL ADVICE IS ALSO PROVIDED TO INDUSTRY THROUGH THE ISSUE OF CODES OF PRACTICE, SUCH AS THE RECENT CODES ON THE USE OF ASBESTOS."

HE SAID THAT IN THE COURSE OF ESTABLISHING POLLUTION CONTROLS IN HONG KONG, IT HAD BEEN THE EXPERIENCE THAT MOST INDUSTRIAL UNDERTAKINGS TOOK LITTLE NOTICE OF ADVICE ON POLLUTION REDUCTION METHODS IN ADVANCE OF THE INTRODUCTION OF LEGISLATIVE CONTROLS.

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HE ADDED THAT THIS WAS PERHAPS NOT DIFFICULT TO UNDERSTAND, GIVEN THAT INDUSTRIALISTS WISHED TO AVOID PLACING THEMSELVES AT WHAT THEY PERCEIVED MIGHT BE A COMPETITIVE DISADVANTAGE, WHEN THERE WAS NO COMPULSION ON THEIR COMPETITORS TO DO THE SAME.

MR CHAMBERS SAID PUBLICITY MATERIAL ON THE REQUIREMENTS OF THE WATER POLLUTION CONTROL ORDINANCE AND THE AIR POLLUTION CONTROL ORDINANCE HAD BEEN WIDELY CIRCULATED AND PROSPECTIVE TENANTS OF THE INDUSTRIAL ESTATES WERE PROVIDED WITH INFORMATION ON ENVIRONMENTAL REQUIREMENTS.

"EVERY OPPORTUNITY IS TAKEN TO BRIEF INDUSTRY THROUGH TECHNICAL JOURNALS AND PROFESSIONAL SEMINARS, AND THE ENVIRONMENTAL DIVISION OF THE HONG KONG PRODUCTIVITY COUNCIL, WHICH IS SUBVENTED BY THE GOVERNMENT AND WORKS CLOSELY WITH THE ENVIRONMENTAL PROTECTION DEPARTMENT, IS A PRIME SOURCE OF DETAILED ADVICE ON INDUSTRIAL POLLUTION PROBLEMS," HE SAID.

"IT IS THE GOVERNMENT'S POLICY TO MINIMISE THE ECONOMIC IMPACT OF POLLUTION CONTROLS AND TO EMPHASISE TO INDUSTRIALISTS THAT MODERN, ENVIRONMENTALLY ACCEPTABLE PLANT IS OFTEN MORE EFFICIENT AND COST-EFFECTIVE.

"MOREOVER, UP TO 70 PER CENT OF CAPITAL INVESTMENT IN NEW PLANT IS, I UNDERSTAND, TAX DEDUCTIBLE," HE ADDED.

MR CHAMBERS POINTED OUT THAT ALTHOUGH MUCH ADVICE AND ASSISTANCE WAS GIVEN TO INDUSTRIAL UNDERTAKINGS ON POLLUTION CONTROLS, PREVENTION OF POLLUTION WAS PART AND PARCEL OF THE EFFICIENT OPERATION OF AN INDUSTRIAL ENTERPRISE.

"INDUSTRIALISTS THEMSELVES MUST, THEREFORE BE ULTIMATELY RESPONSIBLE FOR THE POLLUTION WHICH THEY CAUSE. IT'S UNACCEPTABLE FOR THE SOCIAL AND ECONOMIC COST OF SUCH POLLUTION TO BE A GENERAL CHARGE ON THE COMMUNITY RATHER THAN AN INDIRECT CHARGE THROUGH THE COST OF THE PRODUCT; THAT IS TO THE EXTENT THAT ADDITIONAL COSTS ARE INVOLVED, WHICH IS BY NO MEANS ALWAYS THE CASE," HE SAID.

WEDNESDAY, NOVEMBER 25, 1987

- 10 -

ANTI-SMOKING MEASURES TAKEN IN CORRECTIONAL INSTITUTIONS

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ANTI-SMOKING POSTERS AND LITERATURE ARE WIDELY PUBLICISED AND DISPLAYED THROUGHOUT CORRECTIONAL INSTITUTIONS, THE SECRETARY FOR SECURITY, THE HON DAVID JEAFFRESON, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING A QUESTION BY DR THE HON HENRIETTA IP, MR JEAFFRESON SAID THE COMMISSIONER OF CORRECTIONAL SERVICES WAS WELL AWARE OF THE GOVERNMENT'S ANTI-SMOKING POLICY.

"IN KEEPING WITH THIS POLICY, HEALTH TALKS ON THE ILL EFFECTS OF SMOKING ARE ORGANISED AND ALL ADULT PRISONERS ARE REQUIRED TO ATTEND," MR JEAFFRESON SAID.

"IN OTHER WORDS, THE CORRECTIONAL SERVICES DEPARTMENT ADOPTS THE SAME APPROACH OF PERSUASION AND EDUCATION AS IN GOVERNMENT'S ANTI-SMOKING CAMPAIGN FOR THE PUBLIC AT LARGE."

MR JEAFFRESON EXPLAINED THAT THE ISSUE OF CIGARETTES TO ADULT PRISONERS HAD EXISTED FOR A LONG TIME AND A HIGH PROPORTION OF MALE PRISONERS WERE SMOKERS.

HE SAID IT WOULD THEREFORE BE DIFFICULT TO WITHDRAW THE PRACTICE WITHOUT CAUSING SERIOUS REACTIONS IN THE ADULT INSTITUTIONS.

MR JEAFFRESON ALSO SAID THAT CIGARETTES WERE ISSUED ONLY TO ADULT PRISONERS (AGED 21 OR ABOVE) WHO HAD INDICATED THAT THEY WERE SMOKERS. YOUNG PRISONERS AND INMATES OF TRAINING AND DETENTION CENTRES WERE NOT ALLOWED TO SMOKE.

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POLICE GIVEN GUIDELINES ON CAUTIONS

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THE COMMISSIONER OF POLICE HAS ISSUED GUIDELINES TO HIS OFFICERS ON GIVING CAUTIONS IN THE CASE OF MINOR OFFENCES, PARTICULARLY MINOR TRAFFIC OFFENCES, THE SECRETARY FOR SECURITY, THE HON DAVID JEAFFRESON, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON CHUNG PUI-LAM, MR JEAFFRESON SAID THE IMPORTANT FACTORS THAT THE POLICEMAN MUST TAKE INTO CONSIDERATION WERE THE NATURE OF THE OFFENCE, THE INTENTION AND Demeanour OF THE OFFENDER AND THE ABSENCE OF ANY HARM DONE OR AGGRIEVED PARTY.

/HE SAID

HE SAID THAT IN NOVEMBER LAST YEAR, THE ATTORNEY GENERAL HAD ISSUED GUIDELINES TO THE INDEPENDENT COMMISSION AGAINST CORRUPTION ON OCCASIONS WHEN IT MIGHT BE IN THE PUBLIC INTEREST FOR ICAC OFFICERS FORMALLY TO CAUTION ADULT OFFENDERS RATHER THAN TO PROSECUTE THEM.

MR JEAFFRESON POINTED OUT THAT THESE GUIDELINES FOLLOWED VERY CLOSELY THOSE WHICH THE HOME OFFICE OF THE UNITED KINGDOM HAD ISSUED IN 1985.

"I MUST STRESS THAT THE DECISION HERE ON WHETHER OR NOT TO CAUTION RESTS WITH THE ATTORNEY GENERAL AND NOT WITH THE COMMISSIONER AGAINST CORRUPTION," HE ADDED.

HE SAID THAT EARLIER THIS YEAR THE GOVERNMENT HAD CONSIDERED INTRODUCING SIMILAR GUIDELINES FOR ALL LAW ENFORCEMENT DEPARTMENTS IN THE GOVERNMENT ON USING A FORMAL CAUTION AS AN ALTERNATIVE TO PROSECUTING ADULT OFFENDERS AND HAD DECIDED NOT TO DO SO AFTER CAREFUL CONSIDERATION.

HE POINTED OUT THAT THE SITUATION IN HONG KONG BASICALLY WAS RATHER DIFFERENT FROM WHAT IT WAS IN THE UNITED KINGDOM.

"IN HONG KONG THE ATTORNEY GENERAL'S CHAMBERS PROVIDE A CENTRAL PROSECUTING AUTHORITY TO WHICH THE POLICE AND THE OTHER DISCIPLINED FORCES HAVE EASY ACCESS FOR QUICK ADVICE ON WHETHER TO PROSECUTE IN INDIVIDUAL CASES," HE EXPLAINED.

MR JEAFFRESON SAID: "THERE IS NO NEW SCHEME AS SUCH IN THE UNITED KINGDOM COVERING THE CAUTIONING OF ADULT OFFENDERS, BUT THERE IS A WELL-ESTABLISHED SYSTEM THERE FOR CAUTIONING WHEN IT WOULD NOT MAKE SENSE TO PROSECUTE."

THE POLICE HAD ALWAYS HAD TO EXERCISE COMMON SENSE IN DECIDING WHETHER TO LAY CHARGES, PARTICULARLY IN RELATION TO MINOR OFFENCES. INDIVIDUAL CHIEF CONSTABLES HAD ISSUED GUIDELINES TO THEIR POLICE OFFICERS ON HOW TO USE THEIR DISCRETION.

"IN FEBRUARY 1985 THE HOME OFFICE RECOMMENDED GUIDELINES TO ALL CHIEF CONSTABLES TO ENCOURAGE CONSISTENCY IN DECIDING WHEN TO ISSUE A CAUTION, BOTH TO JUVENILE AND TO ADULT OFFENDERS.

"BRIEFLY, THE GUIDELINES ARE AIMED MAINLY AT THE SORT OF ADULT OFFENDER WHO IT WOULD NOT ALWAYS MAKE SENSE TO PROSECUTE, FOR EXAMPLE, THE ELDERLY, THE INFIRM, THE YOUNG AND THE MENTALLY ILL, WHEN THE CIRCUMSTANCES OF THE CRIME ARE NOT PARTICULARLY SERIOUS," HE SAID.

"BUT IN ALL CASES THE GUIDELINES THE HOME OFFICE ISSUED STATE THAT THE EVIDENCE MUST BE SUFFICIENT FOR PROSECUTION, THE OFFENDER MUST ADMIT THE OFFENCE AND HE MUST AGREE TO BE CAUTIONED," HE SAID.

"THE CAUTION WILL BE RECORDED AND MAY BE USED IN MAKING FUTURE PROSECUTION DECISIONS."

LAW ON GAMBLING CONTROL MAY NEED CLARIFICATION

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EXISTING GOVERNMENT CONTROLS OF REGISTERED ASSOCIATIONS ARE ADEQUATE, ALTHOUGH SOME CONTROVERSY IN RECENT MONTHS OVER INTERPRETATION AND ENFORCEMENT OF THE LAW SUGGESTS THAT THERE MAY BE A NEED TO CLARIFY IT, THE SECRETARY FOR SECURITY, THE HON DAVID JEAFFRESON, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY DR THE HON DANIEL TSE, MR JEAFFRESON SAID THAT, SUBJECT TO THREE CONDITIONS, PLAYING MAHJONG WAS LAWFUL IN PREMISES OCCUPIED OR USED BY A SOCIETY REGISTERED UNDER THE SOCIETIES ORDINANCE.

THE CONDITIONS WERE: (A) NOT TO CHARGE A FEE FOR ADMISSION TO THE PREMISES; (B) NOT TO INVOLVE PLAYING AGAINST A BANK KEPT BY ONE OR MORE OF THE PLAYERS; AND (C) NOT TO PROMOTE THE GAME BY WAY OF TRADE OR BUSINESS OR FOR THE PRIVATE GAIN OF ANY PERSON EXCEPT THE PLAYERS.

MR JEAFFRESON SAID THAT THE SOCIETIES ORDINANCE ALLOWED ACTION TO BE TAKEN AGAINST A REGISTERED SOCIETY SUSPECTED TO HAVE BEEN INVOLVED IN UNLAWFUL GAMBLING.

"IF IT APPEARS TO THE REGISTRAR OF SOCIETIES, THAT IS THE COMMISSIONER OF POLICE, THAT THE ACTIVITIES OF ANY REGISTERED SOCIETY ARE NOT IN ACCORDANCE WITH ITS CONSTITUTION OR RULES, HE MAY ORDER THE SOCIETY TO STOP THOSE ACTIVITIES.

"IF A SOCIETY IGNORES THIS WARNING, THE COMMISSIONER OF POLICE MAY CANCEL ITS REGISTRATION," HE SAID.

MR JEAFFRESON ADDED THAT IF THE SOCIETY CONTINUED TO OPERATE, IT WOULD BE AN UNLAWFUL SOCIETY AND ITS MEMBERS WOULD BE LIABLE TO PROSECUTION.

THE COMMISSIONER OF POLICE WAS ALSO RESPONSIBLE FOR ENFORCEMENT ACTION AGAINST GROUPS INVOLVED IN GAMBLING, MR JEAFFRESON SAID.

"HE PAYS PARTICULAR ATTENTION TO CLUBS AND ASSOCIATIONS, WHETHER OR NOT THEY FALL WITHIN THE CONTROL OF THE SOCIETIES ORDINANCE, WHICH HE BELIEVES ARE FRONTS FOR GAMBLING ESTABLISHMENTS.

"SOME OF THESE ARE ALSO KNOWN, OR SUSPECTED TO BE INVOLVED WITH, TRIADS AND OTHER ORGANISED CRIMINAL SYNDICATES," HE SAID.

BUT HE POINTED OUT THAT LAW-ABIDING BONA FIDE SOCIETIES AND ASSOCIATIONS HAD NOTHING TO FEAR.

"WE ARE NOW REVIEWING THE GAMBLING ORDINANCE WITH PARTICULAR ATTENTION TO THE PLAYING OF MAHJONG," HE ADDED.

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ON THE QUESTION OF PUBLIC HEALTH, MR JEAFFRESON SAID THAT RESTAURANTS IN CLUBS AND ASSOCIATIONS WERE EXEMPTED FROM THE REQUIREMENT TO OBTAIN A LICENCE.

BUT THEY WERE INSPECTED MONTHLY BY HEALTH INSPECTORS OF THE URBAN OR REGIONAL SERVICES DEPARTMENTS TO ENSURE THAT FOOD AND HYGIENE STANDARDS AND SANITARY CONDITIONS WERE ACCEPTABLE, HE SAID.

THE INSPECTORS WOULD ADVISE THE OPERATORS TO IMPROVE STANDARDS OR ABATE NUISANCES AS NECESSARY, MR JEAFFRESON SAID, ADDING THAT THE SECRETARY FOR MUNICIPAL SERVICES CONSIDERED THESE CONTROLS WERE ADEQUATE.

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REGULAR CHECKS TO COMBAT ILLEGAL EMPLOYMENT OF CHILDREN

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REGULATIONS ON EMPLOYMENT OF CHILDREN ARE ENFORCED TO MAKE SURE THAT CHILDREN ARE NOT EMPLOYED ILLEGALLY, THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON RON BRIDGE, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON CHAN YING-LUN ON THE EMPLOYMENT OF TEENAGERS IN 24-HOUR CONVENIENCE STORES, MR BRIDGE SAID THAT AFTER A SPECIAL ONE WEEK CHECKING OPERATION CONDUCTED A MONTH AGO, LABOUR INSPECTORS WERE OF THE IMPRESSION THAT THE MANagements OF CONVENIENCE STORES WERE GENERALLY LAW-ABIDING.

MR BRIDGE SAID: "THE EMPLOYMENT OF CHILDREN REGULATIONS PERMIT A CHILD OF 13 TO 15 TO WORK ONLY IN NON-INDUSTRIAL ESTABLISHMENTS AND ONLY BETWEEN 7 AM AND 7 PM.

"IF HE OR SHE HAS NOT YET COMPLETED SECONDARY III, THEIR EMPLOYMENT IS SUBJECT TO FURTHER SAFEGUARDS TO ENSURE THAT THEIR SCHOOLING IS NOT DISRUPTED."

MR BRIDGE SAID IN THE FIRST 10 MONTHS OF THIS YEAR, LABOUR INSPECTORS MADE MORE THAN 23,000 VISITS TO THE KIND OF PLACES WHERE CHILDREN WERE LIKELY TO BE EMPLOYED ILLEGALLY. ONLY 24 CASES OF ILLEGAL EMPLOYMENT OF CHILDREN WERE FOUND.

HE ADDED THAT IN A SPECIAL ONE WEEK OPERATION CONDUCTED DURING DAYTIME, EVENING AND LATE AT NIGHT A MONTH AGO, INSPECTORS HAD VISITED 449 ESTABLISHMENTS WHICH WERE THE KIND OF PLACES FELT TO BE SPECIALLY AT RISK, INCLUDING 24-HOUR CONVENIENCE STORES.

"IN THIS OPERATION, THE INSPECTORS FOUND FOUR CASES OF ILLEGAL EMPLOYMENT OF CHILDREN, BUT NONE OF THEM IN CONVENIENCE STORES," HE SAID.

/HE SAID

HE SAID HE HAD BEEN INFORMED BY THE COMMISSIONER OF POLICE THAT INEVITABLY SOME CONVENIENCE STORES DID ATTRACT BAD ELEMENTS AND WERE TARGETS FOR INTIMIDATION AND ROBBERY.

HE SAID: "POLICE OFFICERS ON PATROL PAY PARTICULAR ATTENTION TO SUCH STORES AT NIGHT. THEY KEEP IN CLOSE TOUCH WITH THE STAFF AND FREQUENTLY CHECK THE CUSTOMERS."

MR BRIDGE REITERATED THAT THE LABOUR INSPECTORATE WOULD CONTINUE TO KEEP AN EYE ON ESTABLISHMENTS WHERE CHILDREN WERE LIKELY TO BE ILLEGALLY EMPLOYED.

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PLANS TO EXPAND OUTREACH SERVICES FOR ELDERLY

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THERE ARE PLANS FOR THE STEADY EXPANSION OF MOST OUTREACH SOCIAL SERVICES FOR THE ELDERLY, IN PARTICULAR HOME HELP, FAMILY SERVICE CENTRES, DAY CENTRES AND SOCIAL CENTRES, THE SECRETARY FOR HEALTH AND WELFARE, THE HON JOHN CHAMBERS, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY DR THE HON CHIU HIN-KWONG, MR CHAMBERS SAID THERE WAS NO SPECIFIC PROGRAMME FOR THE PROVISION OF OUTREACH SOCIAL WORK FOR THE ELDERLY, BUT CONSIDERABLE EFFORT WAS PUT INTO REACHING OUT TO ELDERLY PEOPLE IN THEIR OWN HOMES, AND VARIOUS SERVICES WERE PROVIDED.

"FIRSTLY, SOCIAL WORKERS FROM THE SOCIAL WELFARE DEPARTMENT'S FAMILY SERVICES CENTRES REACH OUT TO INDIVIDUAL ELDERLY PEOPLE WHO HAVE BEEN IDENTIFIED OR REPORTED AS BEING IN NEED OF CARE AND ASSISTANCE," HE SAID.

"SECONDLY, SOCIAL WORKERS FROM THE SOCIAL WELFARE DEPARTMENT'S YOUTH AND COMMUNITY OFFICES AND GROUP WORK UNITS, AS WELL AS VOLUNTEERS FROM A NUMBER OF SUBVENTED AND NON-SUBVENTED WELFARE AGENCIES, VISIT THE ELDERLY AND PARTICULARLY THOSE WHO LIVE ALONE.

"THIRDLY, THE ELDERLY ARE THE MAJOR BENEFICIARIES OF THE SUBVENTED HOME HELP SERVICE WHICH PROVIDES DOMESTIC HELP INCLUDING THE COOKING OF MEALS."

HE NOTED THAT THERE WAS ALSO A SUBVENTED POOL BUS SERVICE FOR THE ELDERLY, PARTICULARLY THOSE LIVING IN REMOTE AREAS.

ALL SUCH OUTREACH SERVICES WERE IN ADDITION TO THE NETWORK OF DAY AND RESIDENTIAL SERVICES FOR THE ELDERLY SUCH AS SOCIAL CENTRES, DAY CARE CENTRES AND HOMES, MR CHAMBERS ADDED.

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WEDNESDAY, NOVEMBER 25, 1987

- 15 -

UK COUNCIL TO CONDUCT INSTITUTIONAL REVIEW
OF POST-SECONDARY COLLEGE

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THE GOVERNMENT HAS INVITED THE UNITED KINGDOM COUNCIL FOR NATIONAL ACADEMIC AWARDS (CNAА) TO CONDUCT AN INSTITUTIONAL REVIEW OF ONE OF THE TWO INSTITUTIONS AT PRESENT REGISTERED UNDER THE POST-SECONDARY COLLEGES ORDINANCE, THE SECRETARY FOR EDUCATION AND MANPOWER, THE HON RON BRIDGE, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON DESMOND LEE, MR BRIDGE SAID A VALIDATION TEAM FROM THE CNAА WOULD VISIT THE COLLEGE NEXT WEEK TO EXAMINE ITS FACILITIES AND TEACHING RESOURCES AND TO MAKE A REPORT TO THE GOVERNMENT ON ITS STRENGTHS AND WEAKNESSES AND ON THE LEVEL AND WORTH OF ITS EXIT QUALIFICATIONS.

THE COLLEGE WAS OPERATING WITH THE 2-2-1 SYSTEM FOR WHICH PARTIAL GOVERNMENT FINANCIAL ASSISTANCE WAS GRANTED, WHILE THE OTHER REGISTERED INSTITUTION HAD CHOSEN TO CONTINUE TO OFFER FOUR-YEAR DIPLOMA COURSES WITHOUT SUCH ASSISTANCE, MR BRIDGE EXPLAINED.

"AS STATED IN THE 1978 WHITE PAPER ON THE DEVELOPMENT OF SENIOR SECONDARY AND TERTIARY EDUCATION, THE 2-2-1 SYSTEM ENABLES THE COLLEGE OPERATING IT TO CONTRIBUTE TOWARDS GOVERNMENT'S TARGETS FOR SIXTH FORM AND TERTIARY EDUCATION PLACES," HE SAID.

MR BRIDGE NOTED THAT IN THE CURRENT ACADEMIC YEAR THE COLLEGE CONCERNED WAS PROVIDING 422 PLACES AT THE SECONDARY SIX AND SECONDARY SEVEN LEVELS AND 707 PLACES AT THE HIGHER DIPLOMA LEVEL.

"IN 1987, 87 PER CENT OF THE COLLEGE'S SECONDARY SEVEN STUDENTS OBTAINED PASSES IN TWO OR MORE SUBJECTS IN THE A-LEVEL EXAMINATION.

"AT THE SAME TIME, ACCORDING TO THE EMPLOYMENT SURVEY CONDUCTED BY THE COLLEGE IN RESPECT OF ITS 1986 HIGHER DIPLOMA GRADUATES, 95 PER CENT HAD EITHER OBTAINED EMPLOYMENT OR PROCEEDED TO FURTHER STUDIES WITHIN FOUR MONTHS OF GRADUATION," HE SAID.

REGARDING THE FORMAL ASSESSMENT OF THE COLLEGE, THE GOVERNMENT WOULD EXPECT TO RECEIVE THE CNAА'S REPORT EARLY NEXT YEAR, MR BRIDGE CONCLUDED.

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/16

DRIVING PENALTY POINTS SYSTEM CONSIDERED SATISFACTORY

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THE GOVERNMENT IS GENERALLY SATISFIED WITH THE EFFECTIVENESS OF THE DRIVING OFFENCE POINTS SYSTEM, PARTICULARLY IN MAKING THOSE DRIVERS INCURRING PENALTY POINTS MUCH MORE CAUTIOUS IN THEIR DRIVING STANDARDS AND BEHAVIOUR, THE SECRETARY FOR TRANSPORT, THE HON MICHAEL LEUNG, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION RAISED BY THE HON CHAN YING-LUN, MR LEUNG SAID THAT OF THE 117,655 DRIVERS WHO HAD INCURRED PENALTY POINTS SINCE THE SCHEME STARTED IN AUGUST 1984, ONLY 2,011 DRIVERS, OR 1.7 PER CENT, HAD BEEN DISQUALIFIED FOR INCURRING 15 OR MORE POINTS.

"THE GOVERNMENT THEREFORE CONSIDERS THAT WHILE THE SCHEME IS BEING AND WILL CONTINUE TO BE CLOSELY MONITORED, THERE IS NO NEED AT PRESENT TO CONDUCT A FULL REVIEW," HE SAID.

MR LEUNG SAID AMONG THE 2,011 DRIVERS WHO WERE DISQUALIFIED, 584 OR 29 PER CENT WERE KNOWN TO BE PROFESSIONAL DRIVERS, SUCH AS HOLDERS OF DRIVING LICENCES OF TAXIS, BUSES, PUBLIC LIGHT BUSES OR MEDIUM/HEAVY GOODS VEHICLES. THE REST WERE HOLDERS OF DRIVING LICENCES OF PRIVATE CARS, LIGHT GOODS VEHICLES OR MOTOR CYCLES.

SOME OF THE DISQUALIFIED LIGHT GOODS VEHICLE DRIVERS MIGHT ALSO BE DRIVERS BY OCCUPATION.

HOWEVER, AS HOLDERS OF PRIVATE CAR DRIVING LICENCES WERE PERMITTED AT PRESENT TO DRIVE LIGHT GOODS VEHICLES, SEPARATE STATISTICS WERE NOT AVAILABLE FOR THIS CATEGORY OF DRIVERS, MR LEUNG SAID.

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ROAD SAFETY WARNING AGAINST EARPHONES

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THE 1988/89 ROAD SAFETY CAMPAIGN WILL INCLUDE IN ITS PUBLICITY A WARNING AGAINST THE USE OF EARPHONES WHEN DRIVING ON OR CROSSING A ROAD, THE SECRETARY FOR HEALTH AND WELFARE, THE HON JOHN CHAMBERS, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

IN A WRITTEN REPLY TO A QUESTION BY THE HON POON CHI-FAI, AS TO WHETHER TRAFFIC ACCIDENTS WOULD OCCUR AS A RESULT OF DRIVERS OR PEDESTRIANS BEING DISTRACTED WHILE ATTENTIVELY LISTENING TO THIS EQUIPMENT, MR CHAMBERS SAID IN GENERAL, ANY DISTRACTION TO ROAD USERS, BE THEY DRIVERS OR PEDESTRIANS, WAS POTENTIALLY DANGEROUS AND SHOULD BE DISCOURAGED.

WEDNESDAY, NOVEMBER 25, 1987

- 17 -

"REGULATION 42(E) OF THE ROAD TRAFFIC (TRAFFIC CONTROL) REGULATIONS PROHIBITS MOTOR-CYCLISTS FROM WEARING RADIO OR CASSETTE EARPHONES WHEN DRIVING," HE SAID.

"THE ROAD USERS' CODE, WHICH IS WIDELY DISTRIBUTED TO THE PUBLIC AND MADE AVAILABLE TO ALL DRIVING LICENCE HOLDERS, EMPHASISES THAT EARPHONES SHOULD NOT BE WORN WHILST DRIVING ANY VEHICLE.

"THE CODE ALSO ADVISES PEDESTRIANS TO GIVE FULL ATTENTION TO THE TRAFFIC AND NOT TO ENGAGE IN OTHER ACTIVITIES, SUCH AS LISTENING TO A RADIO OR CASSETTE WHILE CROSSING THE ROAD," HE ADDED.

AS TO WHETHER THE GOVERNMENT WOULD CONDUCT ANY STUDY TO ASCERTAIN THE EFFECT OF PROLONGED LISTENING TO THESE GADGETS ON THE USERS, SUCH AS THE POSSIBILITY OF WEAKENING OR LOSS OF HEARING, MR CHAMBERS SAID THERE WAS AT PRESENT NO PLAN TO STUDY THE EFFECT OF PROLONGED LISTENING TO WALKMAN-TYPE RADIOS AND CASSETTE TAPE PLAYERS ON HEARING, AS THERE WAS NO KNOWN CASE OF SERIOUS DAMAGE TO HEARING BEING CAUSED IN THIS WAY.

HE ALSO POINTED OUT THAT THERE WAS NO INTENTION AT PRESENT TO REQUIRE MANUFACTURERS OR IMPORTERS OF PORTABLE RADIOS OR CASSETTE PLAYERS TO PROVIDE GUIDANCE ON THEIR PROPER USE.

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POLICE COMPUTER CHECKS AVERAGE 5,700 A DAY
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AN AVERAGE 5,700 PERSONS EACH DAY WERE INTERCEPTED BY POLICE OFFICERS IN PUBLIC PLACES AND CHECKED THROUGH THE POLICE OPERATIONAL NOMINAL INDEX COMPUTER SYSTEM (PONICS) BETWEEN NOVEMBER 1, 1986 AND OCTOBER 31, 1987, THE SECRETARY FOR SECURITY, THE HON DAVID JEAFFRESON, TOLD THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

REPLYING TO A QUESTION BY THE HON CHEUNG YAN-LUNG, MR JEAFFRESON ADDED THAT DURING THE SAME PERIOD PATROLLING POLICE OFFICERS ALSO CHECKED AN AVERAGE OF 808 IDENTITY CARDS EACH DAY THROUGH THE IMMIGRATION DEPARTMENT'S IDENTITY CARD INFORMATION SYSTEM (ICIS).

"PONICS IS THE POLICE CENTRAL DATA BASE. USING BEAT RADIOS PATROLLING POLICE OFFICERS HAVE ACCESS TO IT AT ALL TIMES THROUGH THEIR REGIONAL COMMAND AND CONTROL CENTRES (RCCC)," HE SAID.

SOME 122 POLICE STAFF WERE DEPLOYED TO HANDLE ENQUIRIES MADE BY PATROLLING POLICE OFFICERS TO COMPUTER 24-HOUR DATA BASES IN THE RCCC AND IN THE CRIMINAL RECORDS BUREAU, HE ADDED.

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WEDNESDAY, NOVEMBER 25, 1987

- 18 -

FRESH LOOK AT LAW ON LOITERING

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THE LAW REFORM COMMISSION HAS BEEN ASKED TO CONSIDER WHETHER THE LAW RELATING TO THE OFFENCES OF LOITERING CONTAINED IN SECTION 160 OF THE CRIMES ORDINANCE SHOULD BE AMENDED AND, IF SO, WHAT CHANGES SHOULD BE MADE, THE SECRETARY FOR SECURITY, THE HON DAVID JEAFFRESON, SAID IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

HE WAS REPLYING TO A QUESTION BY THE HON HILTON CHEONG-LEEN ON WHETHER THE GOVERNMENT HAD PLANS TO REVIEW THE LOITERING LAW, TAKING INTO ACCOUNT THE FACT THAT SOCIAL CONDITIONS HAD IMPROVED SINCE 1979 WHEN THE LAW WAS FIRST ENACTED, AND THAT THE LAW MIGHT BE SUBJECT TO ABUSE.

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THREE BILLS PASSED

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THREE BILLS WERE PASSED INTO LAW IN THE LEGISLATIVE COUNCIL TODAY (WEDNESDAY).

THEY ARE THE EXECUTIVE AND LEGISLATIVE COUNCILS (MEMBERS) BILL 1987, THE FISHERIES PROTECTION (AMENDMENT) BILL 1987 AND THE INLAND REVENUE (AMENDMENT) (NO. 2) BILL 1987.

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/19

WEDNESDAY, NOVEMBER 25, 1987

- 19 -

RAPID ECONOMIC GROWTH CONTINUED IN THE THIRD QUARTER
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THE ECONOMIC SERVICES BRANCH OF THE GOVERNMENT SECRETARIAT TODAY (WEDNESDAY) RELEASED THE THIRD QUARTER ECONOMIC REPORT 1987. IN THE PROCESS OF PREPARING THIS REPORT, USEFUL COMMENTS AND ADVICE WERE RECEIVED FROM THE ECONOMIC REVIEW COMMITTEE, WHICH IS CHAIRED BY THE FINANCIAL SECRETARY AND INCLUDES IN ITS MEMBERSHIP EIGHT MEMBERS OF THE LEGISLATIVE COUNCIL.

BECAUSE THE THIRD QUARTER REPORT COVERS THE PERIOD JULY TO SEPTEMBER, THE UPHEAVALS IN THE STOCK MARKET AND THE STOCK INDEX FUTURES MARKET, WHICH OCCURRED IN OCTOBER, ARE NOT COVERED BY THE REPORT.

THE HONG KONG ECONOMY REMAINED BUOYANT DURING THE THIRD QUARTER OF 1987. THE UPSURGE IN EXPORTS, COUPLED WITH THE RESULTING STRONG DOMESTIC DEMAND, PROVIDED THE MAIN IMPETUS TO GROWTH.

BY SEPTEMBER, THE GROWTH MOMENTUM OF DOMESTIC EXPORTS HAD BEEN SUSTAINED FOR 19 MONTHS. IN THE THIRD QUARTER OF 1987, DOMESTIC EXPORTS GREW BY ABOUT 25 PER CENT IN REAL TERMS OVER THE SAME QUARTER LAST YEAR. THE LATEST FIGURES ON THE ORDER-BOOK POSITIONS OF LARGE MANUFACTURERS AND ON RETAINED IMPORTS OF RAW MATERIALS AND SEMI-MANUFACTURES SUGGEST THAT THE PERFORMANCE OF DOMESTIC EXPORTS IS LIKELY TO REMAIN SATISFACTORY FOR THE REST OF THE YEAR.

AS REGARDS DOMESTIC DEMAND, THE GROWTH IN PRIVATE CONSUMPTION EXPENDITURE REMAINED STRONG IN THE THIRD QUARTER OF 1987, REFLECTING THE SUSTAINED IMPROVEMENT IN PERSONAL INCOMES.

INDICATIVE OF THIS, RETAINED IMPORTS OF FOODSTUFFS AND OF CONSUMER GOODS BOTH GREW BY ABOUT 10 PER CENT IN REAL TERMS IN THE THIRD QUARTER OF 1987 COMPARED WITH A YEAR AGO. THE VOLUME OF RETAIL SALES ALSO RECORDED A SIGNIFICANT INCREASE OVER THE SAME PERIOD.

CAPITAL INVESTMENT GREW SUBSTANTIALLY, AS INDICATED BY A YEAR-ON-YEAR INCREASE OF ABOUT 49 PER CENT IN REAL TERMS IN RETAINED IMPORTS OF CAPITAL GOODS IN THE THIRD QUARTER. AMONG THESE, RETAINED IMPORTS OF INDUSTRIAL MACHINERY FOR USE IN THE MANUFACTURING SECTOR GREW BY ABOUT 30 PER CENT IN REAL TERMS.

AGAINST THE BACKGROUND OF BUOYANT ECONOMIC ACTIVITIES, THE LABOUR MARKET REMAINED TIGHT DURING THE THIRD QUARTER. THIS PRODUCED SIGNIFICANT UPWARD PRESSURES ON WAGES AND SALARIES. THE SEASONALLY ADJUSTED UNEMPLOYMENT RATE IN THE THIRD QUARTER OF 1987, AT 1.8 PER CENT, WAS THE SAME AS IN THE PREVIOUS QUARTER, BUT WAS ONE PERCENTAGE POINT LOWER THAN A YEAR AGO.

THE UNDEREMPLOYMENT RATE WAS ONE PER CENT IN THE THIRD QUARTER, 0.1 OF A PERCENTAGE POINT LOWER THAN IN THE PREVIOUS QUARTER AND 0.3 OF A PERCENTAGE POINT LOWER THAN IN THE SAME QUARTER LAST YEAR.

/THE RATE

THE RATE OF CONSUMER PRICE INFLATION EDGED UP FURTHER. THE CONSUMER PRICE INDEX (A) ROSE BY 5.6 PER CENT IN THE THIRD QUARTER OF 1987 OVER THE SAME QUARTER LAST YEAR. THIS COMPARED WITH THE CORRESPONDING YEAR-ON-YEAR RATES OF INCREASE OF 4.3 PER CENT AND 5.4 PER CENT IN THE FIRST AND SECOND QUARTERS OF 1987.

NEVERTHELESS, IT WAS STILL MODERATE COMPARED WITH HONG KONG'S EXPERIENCE OVER THE PAST DECADE, WHEN THE AVERAGE ANNUAL RATE OF INCREASE IN THE CPI(A) WAS 8.7 PER CENT.

THE CPI(B) AND THE HANG SENG CPI ROSE BY 5.5 PER CENT AND 6.5 PER CENT RESPECTIVELY BETWEEN THE THIRD QUARTER OF 1986 AND THE SAME QUARTER IN 1987.

THE THIRD QUARTER ECONOMIC REPORT 1987 UPDATES THE ASSESSMENT OF THE LOCAL ECONOMIC SITUATION WHICH WAS GIVEN IN THE HALF-YEARLY ECONOMIC REPORT 1987. APART FROM PROVIDING AN OVERALL VIEW, THE REPORT ALSO CONTAINS INDIVIDUAL CHAPTERS ON THE EXTERNAL SECTOR, THE FINANCIAL SECTOR, THE LABOUR SECTOR, ACTIVITY IN SELECTED SECTORS, AND PRICES. *

ON THE EXTERNAL SECTOR, THE REPORT NOTES THAT DOMESTIC EXPORTS TO ALL MAJOR MARKETS GREW RAPIDLY IN THE THIRD QUARTER.

DOMESTIC EXPORTS TO CHINA ROSE BY ABOUT 49 PER CENT IN REAL TERMS OVER A YEAR EARLIER, FOLLOWED BY INCREASES OF 45 PER CENT FOR JAPAN, OF 31 PER CENT FOR THE FEDERAL REPUBLIC OF GERMANY, AND OF 26 PER CENT FOR THE UNITED KINGDOM. DOMESTIC EXPORTS TO HONG KONG'S LARGEST MARKET, THE UNITED STATES, INCREASED BY ABOUT 15 PER CENT IN REAL TERMS.

SUSTAINED DEMAND FOR HONG KONG'S PRODUCTS IN THE MAJOR OVERSEAS MARKETS WAS AN IMPORTANT CONTRIBUTORY FACTOR, ALTHOUGH THE INCREASED TRADE FLOWS BROUGHT ABOUT BY OUTWARD PROCESSING ACTIVITIES IN CHINA ALSO ACCOUNTED FOR A SIGNIFICANT PART OF THE EXPORT GROWTH.

RE-EXPORTS CONTINUED TO FEATURE PROMINENTLY IN HONG KONG'S EXTERNAL TRADE. IN THE THIRD QUARTER OF 1987, RE-EXPORTS GREW BY ABOUT 49 PER CENT IN REAL TERMS OVER THE SAME QUARTER IN 1986. CHINA, IN ITS DUAL ROLE AS A SOURCE AND AS A MARKET, ACCOUNTED FOR NEARLY 80 PER CENT OF HONG KONG'S RE-EXPORTS IN THE THIRD QUARTER. COMPARED WITH THE SAME QUARTER LAST YEAR, HONG KONG'S IMPORTS GREW IN REAL TERMS BY ABOUT 34 PER CENT, AND ITS RETAINED IMPORTS BY ABOUT 19 PER CENT.

THE REPORT POINTS OUT THAT THE GROWTH RATE OF THE VALUE OF TOTAL EXPORTS (I.E. DOMESTIC EXPORTS PLUS RE-EXPORTS) BETWEEN THE THIRD QUARTER OF 1986 AND THE THIRD QUARTER OF 1987, AT 38 PER CENT, WAS THE SAME AS THAT OF THE VALUE OF IMPORTS.

AS A RESULT, A VISIBLE TRADE SURPLUS EQUIVALENT TO SIX PER CENT OF THE VALUE OF IMPORTS, WAS RECORDED IN THE THIRD QUARTER OF THIS YEAR, WHICH WAS THE SAME IN PROPORTIONATE TERMS AS THE SURPLUS RECORDED IN THE THIRD QUARTER LAST YEAR. THIS SURPLUS WAS, HOWEVER, MAINLY SEASONAL.

FOR THE FIRST NINE MONTHS OF 1987 AS A WHOLE, THE VALUES OF TOTAL EXPORTS AND OF IMPORTS WERE ROUGHLY IN BALANCE.

ON THE FINANCIAL SECTOR, THE REPORT NOTES THE FOLLOWING DEVELOPMENTS. FIRST, DURING MOST OF THE THIRD QUARTER, THE MARKET EXCHANGE RATE OF THE HONG KONG DOLLAR STAYED CLOSE TO THE LINKED RATE OF HK\$7.80 TO US\$1, EXCEPT FOR A TEMPORARY STRENGTHENING IN EARLY SEPTEMBER DUE TO SPECULATION THAT THE LOCAL CURRENCY WOULD BE REVALUED. THE SPECULATIVE PRESSURE QUICKLY SUBSIDED AFTERWARDS.

SECOND, REFLECTING FLUCTUATIONS IN THE EXCHANGE VALUE OF THE U.S. DOLLAR AGAINST OTHER MAJOR CURRENCIES, THE NEW EFFECTIVE EXCHANGE RATE INDEX OF THE HONG KONG DOLLAR FELL FROM 106.2 AT THE END OF JUNE TO 105.7 AT THE END OF SEPTEMBER.

THIRD, APART FROM A TEMPORARY DOWNWARD DRIFT IN SEPTEMBER, LOCAL MONEY MARKET INTEREST RATES WERE GENERALLY STABLE DURING THE THIRD QUARTER.

FOURTH, LOW REAL INTEREST RATES, BUOYANT ECONOMIC ACTIVITIES AND AN ACTIVE STOCK MARKET ALL CONTRIBUTED TO A GREATER DEMAND FOR LOANS.

AS A RESULT, LOANS FOR LOCAL USE, HONG KONG DOLLAR DEPOSITS AND THE HONG KONG DOLLAR MONEY SUPPLY ALL GREW MORE RAPIDLY DURING THE THIRD QUARTER THAN DURING THE PREVIOUS QUARTER.

ON THE LABOUR SECTOR, THE REPORT OBSERVES THAT WHILE EMPLOYMENT IN MANUFACTURING RECORDED ONLY A SLIGHT INCREASE, EMPLOYMENT IN FINANCIAL AND BUSINESS SERVICES, IN THE WHOLESALE, RETAIL AND IMPORT/EXPORT TRADES, IN TRANSPORT SERVICES, AND ON BUILDING AND CONSTRUCTION SITES ROSE SIGNIFICANTLY IN JUNE 1987 OVER A YEAR EARLIER.

WITH THE DEMAND FOR LABOUR OUTSTRIPPING SUPPLY AT THE CURRENT WAGE LEVELS, VACANCIES IN ALL MAJOR SECTORS INCREASED SHARPLY IN JUNE 1987 COMPARED WITH A YEAR AGO. OVER THE SAME PERIOD, EARNINGS IN THE MANUFACTURING AND SERVICES SECTORS, IN TERMS OF PAYROLL PER PERSON ENGAGED, INCREASED SIGNIFICANTLY BOTH IN MONEY TERMS AND IN REAL TERMS, AS DID WAGE RATES IN THE CONSTRUCTION SECTOR.

THE REPORT NOTES THAT THE INDEX OF INDUSTRIAL PRODUCTION, AS AN INDICATOR OF CHANGES IN THE VOLUME OF MANUFACTURING OUTPUT, WAS 19 PER CENT HIGHER IN THE SECOND QUARTER OF 1987 THAN IN THE SAME QUARTER LAST YEAR.

MANUFACTURING ACTIVITY CONTINUED TO BE BUOYANT IN THE THIRD QUARTER, AS REFLECTED BY THE FIGURES ON DOMESTIC EXPORTS, ON RETAINED IMPORTS OF RAW MATERIALS AND SEMI-MANUFACTURES, ON THE QUANTITY OF ELECTRICITY CONSUMED BY INDUSTRY, AND ON THE ORDER-BOOK POSITIONS OF THE LARGE MANUFACTURERS.

THE REPORT FURTHER NOTES THAT TRADING IN THE PROPERTY MARKET AS A WHOLE CONTINUED TO BE ACTIVE IN THE THIRD QUARTER OF 1987, WITH SIGNIFICANT INCREASES IN PROPERTY PRICES AND RENTALS OVER A YEAR AGO.

WHILE THERE WAS CONTINUED DEMAND FOR RESIDENTIAL PROPERTY DURING THE THIRD QUARTER, BUYERS WERE APPARENTLY BECOMING MORE CAUTIOUS AND SELECTIVE AT THE PREVAILING HIGH FLAT PRICES.

MEANWHILE, THE MARKET CONDITIONS FOR COMMERCIAL AND INDUSTRIAL PROPERTY REMAINED TIGHT, AND PRICES AND RENTALS PARTICULARLY FOR PREMISES IN PREFERRED LOCATIONS STILL REGISTERED INCREASES.

AS REGARDS BUILDING INTENTIONS, PLANNED DEVELOPMENTS OF ALL TYPES OF PROPERTY, IN TERMS OF THE TOTAL USABLE FLOOR AREA ON BUILDING PLANS FOR WHICH CONSENT TO COMMENCE WORK HAD BEEN GIVEN, INCREASED BY 18 PER CENT IN THE FIRST NINE MONTHS OF 1987 COMPARED WITH THE SAME PERIOD IN 1986.

THE THIRD QUARTER ECONOMIC REPORT 1987 IS NOW ON SALE AT THE GOVERNMENT PUBLICATIONS CENTRE IN CONNAUGHT PLACE, CENTRAL, AT \$12 A COPY.

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LICENCE OF TRAVEL AGENT SUSPENDED

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THE REGISTRAR OF TRAVEL AGENTS THIS EVENING (WEDNESDAY) ANNOUNCED THAT THE LICENCE OF JET-WAY TRAVEL AND TOURS SERVICE (BEAU-RAY CO. LTD) WILL BE SUSPENDED WITH EFFECT FROM TOMORROW (THURSDAY).

THE SUSPENSION IS BEING MADE UNDER THE TRAVEL AGENTS ORDINANCE FOLLOWING AN INVESTIGATION INTO THE BUSINESS OF THE COMPANY WHICH LED THE REGISTRAR TO BELIEVE THAT THE AGENCY HAS BEEN CARRYING ON BUSINESS CONTRARY TO THE PUBLIC INTEREST.

WITH EFFECT FROM TOMORROW, JET-WAY TRAVEL AND TOURS SERVICE WILL NO LONGER BE ALLOWED TO ACCEPT NEW CLIENTS FOR ITS "OUT-BOUND" TOUR AND TRAVEL SERVICES. HOWEVER, IT MUST COMPLETE TRAVEL SERVICES WHICH IT HAS ALREADY UNDERTAKEN TO PROVIDE FOR ITS CLIENTS.

THE SUSPENSION ONLY AFFECTS THE COMPANY'S "OUT-BOUND" BUSINESS BUT DOES NOT AFFECT "IN-BOUND" TRAVEL SERVICES, WHICH ARE OUTSIDE THE SCOPE OF THE TRAVEL AGENTS ORDINANCE.

WHILE ITS LICENCE IS SUSPENDED, JET-WAY TRAVEL AND TOURS SERVICE IS NOT ALLOWED TO PRESENT ITSELF AS CARRYING ON "OUT-BOUND" TRAVEL BUSINESS BY PUBLISHING ANY ADVERTISEMENT FOR "OUT-BOUND" TOURS.

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UNDER THE TRAVEL AGENTS ORDINANCE, ANY PERSON WHO PUBLISHES ANY ADVERTISEMENT FOR AN UNLICENSED TRAVEL AGENT WILL BE CONTRAVENING THE ORDINANCE AND IS LIABLE TO A FINE OF \$2,000.

JET-WAY TRAVEL AND TOURS SERVICE STARTED BUSINESS IN 1980 AND WAS GRANTED A LICENCE IN FEBRUARY 1986 WHEN THE TRAVEL AGENTS REGISTRY CAME INTO OPERATION.

ITS MAIN OFFICE IS LOCATED AT EAST POINT CENTRE, 555 HENNESSY ROAD, HONG KONG, WITH THREE BRANCH OFFICES AT BANK CENTRE, 636 NATHAN ROAD, KOWLOON; NAM FUNG CENTRE, TSUEN WAN; AND LUK HOI TUNG BUILDING, 31 QUEEN'S ROAD, CENTRAL, HONG KONG.

THE SUSPENSION WILL BE FORMALLY NOTIFIED IN THE GOVERNMENT GAZETTE. THE AGENCY HAS BEEN ADVISED OF THE REASONS FOR THE SUSPENSION AND IS ALLOWED ONE MONTH TO DECIDE WHETHER IT WISHES TO MAKE AN APPEAL TO THE GOVERNOR IN COUNCIL AGAINST THE SUSPENSION ORDER.

CONSIDERATION MAY BE GIVEN TO LIFTING THE SUSPENSION ORDER, IF THE GROUNDS FOR THE SUSPENSION NO LONGER APPLY.

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LEGISLATIVE FRAMEWORK TO REGULATE SECURITY INDUSTRY SOON
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THE GOVERNMENT IS EXPECTING TO COME UP SHORTLY WITH A LEGISLATIVE FRAMEWORK FOR REGULATING THE SECURITY INDUSTRY.

THIS WAS STATED TODAY (WEDNESDAY) BY THE PRINCIPAL ASSISTANT SECRETARY FOR SECURITY, MR NIGEL FRENCH, WHEN HE ADDRESSED THE OPENING CEREMONY OF THE PROTECT ASIA '87 INTERNATIONAL SECURITY AND SAFETY CONFERENCE.

MR FRENCH SAID THAT AN ADVISORY COMMITTEE SET UP IN MARCH UNDER THE FIGHT CRIME COMMITTEE HAD MET A NUMBER OF TIMES TO CONSIDER VARIOUS ASPECTS OF THE PROPOSALS FOR REGULATING THE SECURITY INDUSTRY.

"DISCUSSIONS HAVE COVERED THE SETTING UP OF A BOARD TO LICENSE SECURITY COMPANIES, THE ISSUE OF PERMITS TO LICENSED COMPANIES, THE CRITERIA TO BE APPLIED FOR THE ISSUING OF LICENSES, THE UPGRADING OF THE STANDARD OF WATCHMEN, AND THE TRICKY QUESTION OF HOW TO DEFINE THE TERM 'SECURITY SERVICES' AND WHO TO BRING UNDER THIS DEFINITION.

"IN DISCUSSING THE ISSUES RELATING TO REGULATION OF THE INDUSTRY, THE ADVISORY COMMITTEE HAS COME TO SEE ONE OF THE REASONS WHY, AS YET, NEITHER BRITAIN, THE UNITED STATES NOR AUSTRALIA HAVE BEEN ABLE TO DETERMINE HOW TO REGULATE THE INDUSTRY. FOR THE TASK OF DEFINING THE SECURITY SERVICES TO BE BROUGHT UNDER CONTROL AND HOW BEST TO ACHIEVE THE CONTROL IS PROVING TO BE VERY COMPLEX.

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"NONETHELESS, GIVEN THE CONTINUED CO-OPERATION OF THE INDUSTRY'S REPRESENTATIVES AND THE OTHER MEMBERS OF THE COMMITTEE, I AM CONFIDENT THAT WE SHALL BE ABLE TO COME UP WITH A LEGISLATIVE FRAMEWORK IN THE NOT TOO DISTANT FUTURE," MR FRENCH SAID.

TURNING TO THE ISSUE OF BETTER CONTROL OF FAULTY BURGLAR ALARMS, MR FRENCH SAID THAT DRAFT BILLS AIMED AT ENCOURAGING THOSE WHO HAD BURGLAR ALARMS TO LOOK AFTER THEIR EQUIPMENT BETTER WOULD BE INTRODUCED TO THE LEGISLATIVE COUNCIL THIS SESSION.

"THE INTENTION IS TO ALLOW THE POLICE TO MONITOR FAULTY ALARMS MORE EFFECTIVELY AND TO HELP SHOPOWNERS, HOUSEHOLDERS AND OTHERS GET MORE RELIABLE RESULTS FROM THEIR INTRUDER ALARM SYSTEMS," HE SAID.

LATEST POLICE RECORDS SHOW THAT OVER 99 PER CENT OF ALL BURGLAR ALARM CALLS ARE FALSE.

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PAC OPEN HEARINGS START TOMORROW

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THE FIRST SESSION OF THIS YEAR'S OPEN HEARINGS OF THE PUBLIC ACCOUNTS COMMITTEE WILL START AT 9 AM TOMORROW (THURSDAY) IN THE LEGISLATIVE COUNCIL CHAMBER.

APPEARING BEFORE THE COMMITTEE TO ANSWER POINTS RAISED IN THE DIRECTOR OF AUDIT'S ANNUAL REPORT WILL BE THE DIRECTOR OF HIGHWAYS, THE COMMISSIONER FOR LABOUR, THE SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION, THE REGISTRAR, SUPREME COURT, THE DIRECTOR OF INDUSTRY, THE DEPUTY FINANCIAL SECRETARY, THE DIRECTOR OF MARINE, THE SECRETARY FOR LANDS AND WORKS, THE DIRECTOR OF BUILDINGS AND LANDS AND THE COMMISSIONER OF INLAND REVENUE.

THE TIMETABLE FOR TOMORROW'S HEARING IS AS FOLLOWS:

9 AM	DIRECTOR OF HIGHWAYS PARAGRAPHS 65-70
9.20 AM	COMMISSIONER FOR LABOUR PARAGRAPHS 84-99
10.20 AM	SECRETARY FOR ADMINISTRATIVE SERVICES AND INFORMATION; AND REGISTRAR, SUPREME COURT PARAGRAPHS 76-78
11.05 AM	REGISTRAR, SUPREME COURT PARAGRAPHS 79-83

/11.35 AM

11.35 AM SECRETARY FOR ADMINISTRATIVE SERVICES AND
INFORMATION
PARAGRAPHS 29-35

2.30 PM DIRECTOR OF INDUSTRY
PARAGRAPHS 71-75

3.15 PM DEPUTY FINANCIAL SECRETARY AND DIRECTOR OF
MARINE
PARAGRAPHS 22-27

4 PM SECRETARY FOR LANDS AND WORKS AND DIRECTOR OF
BUILDINGS AND LANDS
PARAGRAPHS 122-131

4.45 PM COMMISSIONER OF INLAND REVENUE
PARAGRAPHS 15-18

THE SECOND DAY OF OPEN HEARINGS WILL BE HELD ON NOVEMBER 30.

NOTE TO EDITORS:

MEDIA REPRESENTATIVES COVERING THE OPEN HEARINGS ARE ADVISED TO BRING WITH THEM A COPY OF THE DIRECTOR OF AUDIT'S REPORT.

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ID CARD REMINDER FOR MEN BORN IN 1963/64
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THE IMMIGRATION DEPARTMENT TODAY (WEDNESDAY) REMINDED MEN BORN IN 1963 AND 1964 TO APPLY FOR NEW IDENTITY CARDS BEFORE SUNDAY, NOVEMBER 29.

"THERE ARE ONLY THREE MORE DAYS FOR THIS GROUP OF MEN TO RENEW THEIR CARDS BEFORE THIS PHASE CLOSES ON NOVEMBER 28," A SPOKESMAN FOR THE DEPARTMENT SAID.

"FAILURE TO APPLY FOR A NEW ID CARD WITHIN THE SPECIFIED PERIOD IS AN OFFENCE LIABLE TO A MAXIMUM FINE OF \$3,000," HE POINTED OUT.

APPLICANTS CAN GO TO ANY ONE OF EIGHT NEW ID CARD ISSUE OFFICES TO RENEW THEIR ID CARDS.

THESE OFFICES ARE OPEN FROM 8 AM TO 9.30 PM DAILY, EXCEPT SUNDAYS AND PUBLIC HOLIDAYS.

"THE ISSUE OFFICES ARE VERY CROWDED IN THE EVENINGS. TO AVOID HAVING TO QUEUE UP AT THE ISSUE OFFICES, APPLICANTS ARE ADVISED TO GO TO THESE OFFICES IN THE MORNINGS AND THE AFTERNOONS," THE SPOKESMAN ADDED.

HE REITERATED THAT THERE WOULD BE NO AMNESTY FOR ILLEGAL IMMIGRANTS.

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DB MEMBERS LEARN ABOUT HOSPITAL REDEVELOPMENT PLAN

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WAN CHAI DISTRICT BOARD MEMBERS WERE BRIEFED ON THE REDEVELOPMENT PLAN OF THE RUTTONJEE SANATORIUM DURING A FAMILIARISATION VISIT TODAY (WEDNESDAY).

THEY WERE MET BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE HK TUBERCULOSIS, CHEST AND HEART DISEASES ASSOCIATION, MR R.M. SHROFF, AND THE CHAIRMAN OF THE REDEVELOPMENT AND HOUSE COMMITTEE OF THE RUTTONJEE SANATORIUM, MR TSENG CHENG, AT THE SANATORIUM. WAN CHAI DISTRICT OFFICER, MR ALLAN CHOW, ALSO JOINED THE VISIT.

DURING THE VISIT, MEMBERS LEARNT THAT THE REDEVELOPMENT SCHEME WOULD INVOLVE THE BUILDING OF A FIVE-STOREY PODIUM, A MAIN HOSPITAL BLOCK WITH 16 WARDS, A NURSES QUARTER AND A SENIOR STAFF AND MEDICAL OFFICERS QUARTER.

THE TOTAL COST OF THE PROJECT WILL AMOUNT TO \$280 MILLION, OF WHICH 80 PER CENT WILL BE SHOULDERED BY THE GOVERNMENT, WHILE THE REST WILL BE FUNDED BY THE HK TUBERCULOSIS, CHEST AND HEART DISEASES ASSOCIATION.

WHEN COMPLETED IN 1989, THE NEW 614-BED HOSPITAL WILL HELP TO RELIEVE THE CROWDED CONDITIONS OF THE TANG SHIU KIN HOSPITAL AND THE QUEEN MARY HOSPITAL.

THE PARTY ALSO NOTED THAT THE REDEVELOPED HOSPITAL WOULD CONSIST OF A GERIATRICS DAY HOSPITAL, AN OUT-PATIENT DEPARTMENT, AN OPERATING THEATRE SUITE WITH FOUR OPERATING ROOMS, AND FOUR X-RAY EXAMINATION ROOMS IN THE NEW COMPLEX. IT WILL ALSO HAVE PATHOLOGY LABORATORIES AND FACILITIES OF ELECTRO-MEDICAL DIAGNOSIS, PHYSIOTHERAPY, OCCUPATIONAL THERAPY AND HYDROTHERAPY.

AFTER THE BRIEFING, THE PARTY TOURED THE SANATORIUM AND THE CONSTRUCTION SITE OF THE REDEVELOPMENT PROJECT.

BOARD MEMBERS WERE IMPRESSED WITH THE REDEVELOPMENT PLAN AND EXCHANGED SOUVENIRS WITH REPRESENTATIVES OF THE SANATORIUM BEFORE CONCLUDING THE VISIT.

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WEDNESDAY, NOVEMBER 25, 1987

- 27 -

TENANCIES SOUGHT FOR TWO SITES

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TWO SITES, ONE IN KWAI CHUNG AND THE OTHER IN KOWLOON BAY RECLAMATION, ARE TO BE LET ON SHORT TERM TENANCY BY THE BUILDINGS AND LANDS DEPARTMENT.

MEASURING ABOUT 1,540 SQUARE METRES, THE KWAI CHUNG SITE IS LOCATED AT AREA 30, KWAI CHUNG CREEK RECLAMATION.

IT IS SPECIFIED FOR THE OPERATION OF A CONCRETE BATCHING PLANT. THE INITIAL TENANCY IS FOR THREE YEARS, RENEWABLE EVERY THREE MONTHS THEREAFTER.

THE CLOSING DATE FOR TENDERS IS NOON ON DECEMBER 11.

THE KOWLOON BAY SITE, LOCATED AT THE JUNCTION OF WANG HOI ROAD, LAM HING STREET AND LAM LEE STREET, IS FOR STORAGE OF NON-DANGEROUS GOODS.

COVERING AN AREA OF ABOUT 2,520 SQUARE METRES, ITS INITIAL TENANCY IS FOR ONE YEAR, RENEWABLE MONTHLY THEREAFTER.

THE DEADLINE FOR SUBMITTING TENDERS IS NOON ON DECEMBER 4.

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