



DAILY INFORMATION BULLETIN

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Majority confident of HK's continued prosperity: poll

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A recent poll conducted by the Home Affairs Branch has indicated that 57 per cent of the respondents were confident that Hong Kong would continue to be prosperous and stable, compared with 56 per cent in the last survey.

Releasing the findings of a bimonthly survey conducted in January this year, a spokesman for the Home Affairs Branch also pointed out that 40 per cent of the respondents said they were satisfied with the overall performance of the Government, compared with 33 per cent who thought otherwise.

The corresponding figures in November last year were 39 per cent and 36 per cent respectively.

As to the three most-mentioned problems facing the territory, 45 per cent mentioned housing-related problems, which was slightly higher than that recorded in November last year (42 per cent).

The percentage for transport-related problems dropped from 47 to 36 and came second.

This was followed by Hong Kong future which stood at 26 per cent, about the same as that recorded previously (27 per cent).

The survey was the 56th in the series to gauge the trend of public opinion in respect of perceived problems in Hong Kong and the community's expectation of the general situation.

A total of 1,493 persons were successfully interviewed in this poll which was conducted between January 16 and 20 using a random sample of residential telephone numbers.

Within the household of a selected telephone number, a respondent aged between 15 and 64 was randomly chosen for interview.

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Consultancy agreement signed for Central Reclamation Phase III

The Territory Development Department (TDD) has appointed consultants to undertake the studies, site investigation, design and construction services for Phase III of the Central Reclamation project.

The consultancy agreement was signed today (Monday) by the Project Manager of Hong Kong Island and Islands Development Office, Mr Pang Ho-che, and representatives of the consultants, Atkins Haswell.

The fee for the consultancy assignment is \$41.93 million, and the assignment will start from next Monday (February 27).

The Central Reclamation Phase III project, consisting of about 29 hectares of new reclamation joining the Central Reclamation Phase I and the Tamar Reclamation together, ends at the seafront off Lung King Street.

This reclamation is required for accommodating the Central-Wan Chai Bypass as well as providing new land for the expansion of Central business district.

According to the present programme, the works will commence in early 1997 for completion in mid-2000.

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Unemployment and Underemployment Statistics for Oct - Dec 1994

The seasonally adjusted unemployment rate for October - December 1994 was 2.0%, and the underemployment rate was 1.5%, according to the latest labour force statistics released today (Monday) by the Census and Statistics Department.

The provisional seasonally adjusted unemployment rate for the period of November 1994 - January 1995 was 2.2%, while the provisional underemployment rate was 1.6%.

The latest figures suggest that the labour market remained generally tight in recent months.

During the period of October - December 1994, the number of unemployed persons, adjusted for variations in the number of first-time job-seekers, was estimated at 60,100, while the number of underemployed persons was estimated at 46,900. The unemployment and underemployment statistics were obtained from a continuous General Household Survey conducted by the Census and Statistics Department.

The survey for October - December 1994 covered a quarterly sample of some 12,500 households or 42,700 persons, selected scientifically to represent the land-based civilian non-institutional population in Hong Kong.

Relevant data were obtained from the survey by interviewing each individual member aged 15 and above in the households sampled.

In the survey, the definitions used in measuring unemployment and underemployment follow closely those recommended by the International Labour Organisation.

Detailed analysis of labour force characteristics is given in the report on the General Household Survey which is published four times a year.

The next report covering the quarter ending December 1994 will be available at the Government Publications Centre by the end of March at \$24 a copy.

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Value of manufacturers' orders-on-hand in December 1994

The value of manufacturers' orders-on-hand for local production in December 1994 increased by 9% over a year earlier, according to the provisional results of a monthly survey released today (Monday) by the Census and Statistics Department.

Comparing December 1994 with December 1993, significant increases in the value of outstanding orders were recorded in the electronic products industry (+33%), plastic products industry (+21%) and electrical products industry (+16%). A small increase in orders was recorded in the textiles industry (+4%).

A significant decrease in orders was registered in the fabricated metal products industry (-21%). Orders in the printing and publishing industry and wearing apparel industry also dropped, by 12% and 7% respectively.

Compared with November 1994, and bearing in mind that this comparison may be affected by seasonal factors, the value of manufacturers' orders-on-hand in December 1994 showed little change.

The Monthly Survey of Orders-on-hand covers a sample of some 300 manufacturing firms engaging 50 or more workers.

Manufacturers' orders-on-hand refer to orders and parts of orders received earlier by manufacturers for local production which remain unfilled as at the end of the reference month.

Orders received by traders not engaged in production are included if such orders are further placed to manufacturers for production locally.

However, orders placed to manufacturing firms for production in China and other places outside Hong Kong are not included in this series of orders-on-hand statistics.

Beginning from January last year, a new series of statistics on manufacturers' orders-on-hand in value terms compiled in the form of an index is produced, to replace the old series which was expressed in terms of number of months to complete the outstanding orders.

The new statistical series provides a more direct measure of the overall value of orders in the local manufacturing sector that lead to the generation of local manufacturing output.

A spokesman for the department pointed out that caution should be exercised in interpreting the manufacturers' orders-on-hand figures in a single month. Instead, the trend movement of the series as displayed over a wider span of time points should be looked at.

The survey report for December 1994, at \$4.5 a copy, is now available for sale at the Government Publications Centre, Queensway Government Offices, Low Block, Ground Floor, Queensway, and at the Census and Statistics Department Publications Section, 19th Floor, Wanchai Tower, 12 Harbour Road, Wan Chai.

Enquiries about the survey results may be made to the Industrial Production Statistics Section of the Census and Statistics Department on 2805 6441.

The following table shows the year-on-year percentage changes in the value of orders-on-hand in different manufacturing industries.

	Percentage changes in the value of orders-on-hand in	
	November 1994 <u>over November 1993</u> (Revised)	December 1994 <u>over December 1993</u> (Provisional)
All industries covered in the survey	+13	+9
* Wearing apparel	-9	-7
* Textiles	+43	+4
* Electronic products	+25	+33
* Electrical products	-3	+16
* Fabricated metal products	+17	-21
* Plastic products	+26	+21
* Printing and publishing	-21	-12

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One more nomination for Kwai Tsing DB by-election

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One more nomination was received today (Monday) for Kwai Tsing District Board by-election scheduled on April 2 in respect of Lai Wah constituency.

The nomination was submitted by Mr Wong Yiu-chung, a 36-year-old executive officer.

So far, two nominations were received since the nomination period started on February 9. The nomination period will end this Wednesday.

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Temporary closure of East Kowloon Way and Airport Tunnel

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The Transport Department announces that to facilitate repair and maintenance work, the eastbound carriageway of East Kowloon Way and the eastbound tunnel tube of Airport Tunnel will be closed to traffic between 1 am and 6 am on February 22, 23 and 24.

During this period, the eastbound traffic to the airport and Kowloon Bay will be diverted to Chatham Road North. Appropriate traffic aids will be displayed at the entrance of East Kowloon Way to alert motorists.

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Anti-drug quiz in Kowloon City

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The Kowloon City district will launch an inter-school quiz competition in March to enhance youngsters' knowledge of drug abuse.

Form 1 to Form 3 students of 10 participating secondary schools will answer questions on topics such as the types of soft drugs.

Semi-finals will take place on March 8 and 10 while the final contest will be held on March 19.

The competition is organised by the Kowloon City District Office, the District Board, the District Fight Crime Committee together with the Lions Club International District 303, the Society for the Aid and Rehabilitation of Drug Abusers (SARDA), and the Police.

Attention News Editors:

A kicking off ceremony of the Inter-school Quiz Competition will begin at 4.30 pm at the promotional stage of the Kowloon City Plaza, 128 Carpenter Road tomorrow (Tuesday).

Highlight of the ceremony includes the appointment of a group of pop song singers as the "Anti-soft drug stars" for the event.

The officiating guests will be Assistant District Officer Mr Howard Lee; Kowloon City District Board member Mr Mak King-lun; District Governor of Lions Club International District 303 Mr William Leung; SARDA Executive member Dr James Chien; and chairman of the Kowloon City District Fight Crime Committee Dr Tam Wing-kun.

Your representatives are invited to cover the event.

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Women encouraged to take part in community work

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Women develop their potential and broaden their horizons through active participation in community programmes, Mrs Patten said.

Speaking at the Kowloon, Western and Eastern District Women's Welfare Clubs spring union lunch today (Monday), Mrs Patten said services of the three clubs "has enriched the lives of many in the districts".

"Your dedicated efforts have set an excellent example for others and encouraged women in the districts to participate in community building programmes," she said.

The three clubs run kindergartens, primary schools and day nurseries to cater to the needs of the young.

They also provide care and attention centres, hostels and recreation centres for the elderly.

This year's event also marked the 40th anniversary of the Western District Women's Welfare Club.

"With your excellent record of community services, I am sure your members will continue to work to develop your services so that the community may further benefit from your generosity and dedication," she said.

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Fresh water cuts in Central, Hung Hom, Sai Kung and Yuen Long

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Fresh water supply to some premises in Central, Hung Hom, Sai Kung and Yuen Long will be temporarily suspended from 11 pm on Wednesday (February 22) to facilitate water mains leakage detection.

Normal supply to Central, Hung Hom and Sai Kung will resume after 6 am the following day, while that to Yuen Long after 7 am.

The affected areas in the four districts are:

Central - 84-168 Des Voeux Road Central, 97-171 Queen's Road Central, Central Market, 1-13 Jubilee Street, Hing Lung Street, Tung Mun Street, Wing On Street, 1-23 Gilman Street, Gilman's Bazaar, Wing Kut Street, 13-33 Wing Wo Street, Tit Hong Lane and Wai San Lane.

Hung Hom - Hung Hom Wan Street, Fuk Chi Street, Bulkeley Street, Ming On Street, Baker Street, Hung Hom Road and Po Loi Street.

Sai Kung - the section of Clear Water Bay Road from Pik Uk Village to Pine Villas, including Tai Po Tsai Sheung Tsuen, Tai Po Tsai San Tsuen and Ta Kwu Ling San Tsuen.

Yuen Long - Long Ping Road and Long Tin Road, including Fung Chi Tsuen, Wing Ning Tsuen and Ha Mei San Tsuen.

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LES Mong Kok Office to close on Saturday

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The branch office of the Labour Department's Local Employment Service (LES) in Mong Kok will be closed on Saturday (February 25) to facilitate renovation work.

Situated on the ground floor of the Mong Kok Government Offices (MKGO), the office will be renovated from Saturday to late March this year.

During the renovation period, the office will be temporarily moved to room 203, second floor, MKGO while the public enquiry telephone numbers (2399 2547 and 2399 2231-6) and fax number (2396 8140) will remain unchanged.

Normal service of the office will resume on February 27 (Monday).

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"Modern mercantilism" misguided

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The Director-General of Trade, Mr Tony Miller, today (Monday) hit out at what he called "modern mercantilism".

"Mercantilism and protectionism go hand in hand. Both try to tilt the playing field of international commerce. Both bring government muscle to bear in what should be purely business battles. Both cheat the consumer. Both ultimately undermine the competitiveness of the firms they aim to assist," he said.

In a talk to the British Chamber of Commerce, entitled "Going bananas", Mr Miller used the example of a current trade dispute between Europe and the US to illustrate the lengths some governments were prepared to go to protect what were perceived to be national interest.

In this dispute, he said, the US has threatened retaliation under Section 301 of its 1988 Trade Act against the European Union (EU) banana import regime which it claims is adversely affecting US economic interests.

"I raise this case because it seems to me to be a useful illustration of 'modern mercantilism'," Mr Miller said.

"There are two sides to this coin. The first is a renewed willingness on the part of some governments to grant certain companies a national identity. The second is a perverse persistence that it is necessary to determine a single national origin for an imported product."

In the banana dispute, he noted that the US had taken up the cudgels on behalf of a US multinational firm which had invested in the distribution and marketing of bananas produced in various countries in Latin America.

It is claiming injury because of the EU's "Framework Agreement" with various Caribbean and South American countries, which effectively give their producers preference in the European market.

While not defending what he called "a cosy little arrangement", Mr Miller noted: "However, the bananas in question do not grow on American soil. They are not irrigated by American rain. They are not picked by American hands nor are they packed by American labour.

"In fact, at no point between tropical herb and European oesophagus do these bananas touch the United States of America," he added.

"The US' argument seems to be that they are the fruits of American investment overseas, but let us explore the logic of this a little further.

"If an American firm invests in a textile or clothing factory in Thailand, for example, could that firm not claim that it is similarly disadvantaged by EU restraints on the importation of such products? After all, an identical economic interest is at stake.

"By extension, just to take this to a not totally absurd conclusion, could not the same firm ask the US government to take Section 301 action against itself for similar restraints on textiles and clothing imports into the US?"

Mr Miller said the EU was not entirely without blemish and he did not approve of such arrangements as they created unfair competition and therefore distorted both market shares and investment flows.

"This arrangement is no different in substance from any number of other preferential schemes run by the US in support of its proteges. If such cosy little arrangements are to be challenged, it is because they distort markets period, not because of some spurious claim of national interest," he said.

"We in Hong Kong will watch the outcome of this dispute with some interest and are delighted that the EU has responded to the US threat by suggesting that any attempt by the US to take unilateral action would be met by a dispute settlement action under the World Trade Organisation."

Mr Miller went on to criticise proposed changes to the US rules of origin for textiles and clothing.

"Changing customs rules and procedures are the guerrilla tactics of undeclared trade wars," he said.

"Recently, and not for the first time, the United States has resorted to changing the rules of origin for textiles and clothing.

"It has done so despite international undertakings to the contrary and despite agreement within the World Trade Organisation and the World Customs Organisation to work towards standardisation internationally.

"On this, as on the previous occasion, the US administration is reacting to pressure from its 'infant' textiles and clothing industries for just a little bit more protection."

Mr Miller queried the need for rules of origin in a globalised economy and said: "Manufacturers are now virtually free to source materials wherever they are most readily available, to manufacture wherever makes most sense, often in more than one place, and to market internationally.

"Given this, how does one go about establishing where a product was 'made' and is it really worth the effort?" he asked.

Using the example of a recent EU directive on bananas, Mr Miller went on to highlight the dangers of too much rule making and standardisation.

"Setting standards can be a more effective way of blocking trade than tariffs and it has the added PR advantage that it sounds good. Standards are good for us. They are there to protect us against things which are harmful in some way, or shoddy, or whatever," he said.

"Where I part company with the standardisers and harmonisers is at the point at which they seek to deny the existence of comparative advantage, where wittingly or unwittingly they begin to use standardisation in ways which reduce the benefits of diversity.

"At one extreme this is represented by bureaucrats telling consumers that they can only eat bananas or Brussels sprouts if they comply with quite arbitrary specifications. At the other, it is represented by attempts to go beyond agreement on international codes to insist that governments seek to achieve such standards in a particular way."

Mr Miller said given its free trade open market approach Hong Kong could be expected to resist such tendencies.

"Competing approaches to solving common problems is ultimately more likely to produce good results, just as competition between firms produces stronger firms and greater innovation," he said.

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Guide to pollution control law available

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The Industry Department today (Monday) published the 1995 edition of its environmental booklet entitled "A Guide to Pollution Control Legislation Affecting Manufacturing Industries."

The Guide, first published in 1992, aims to assist manufacturers by providing basic information on environmental measures which may affect them, and where technical advice may be obtained.

A spokesman for the department said: "With the gazettal of the Victoria Harbour (Phase One) Water Control Zone, many more manufacturers in Hong Kong now need information on environmental controls and how to comply with them. The guide will be a handy reference for manufacturers wishing to know more about environmental controls."

The Guide provides a summary of Hong Kong's environmental legislation. It also includes reference to major international environmental measures which may affect Hong Kong manufacturers. Information on environmental management systems and effective measures to control and prevent pollution is also included.

"To assist manufacturers in complying with environmental legislation, the 1995 edition has been expanded to include information on Government support services available to manufacturers on environmental matters," the spokesman added.

"Apart from useful addresses and telephone numbers for more detailed enquiries on different environmental legislation, the Guide also contains a list of organisations which provide technical advice and training on environmental matters," the spokesman said.

The Guide will be distributed to major industrial and trade associations and those manufacturers most likely to be affected by environmental measures.

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Water storage figure

Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 69.3 per cent of capacity or 406.093 million cubic metres.

This time last year the reservoirs contained 398.608 million cubic metres of water, representing 68.0 per cent of capacity.

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Hong Kong Monetary Authority tender results

Tender date	20 Feb 95
Paper on offer	EF notes
Issue number	2702
Amount applied	HK\$3,265 MN
Amount allotted	HK\$500 MN
Average price (yield) accepted	100.13 (7.57 PCT)
Lowest price (yield) accepted	100.11 (7.58 PCT)
Pro rata ratio	About 100 PCT
Average tender price (yield)	100.04 (7.62 PCT)

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Hong Kong Monetary Authority money market operations

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,264	0930	+1723
Closing balance in the account	1,592	1000	+1723
Change attributable to :		1100	+1673
Money market activity	+1,673	1200	+1673
LAF today	-1,345	1500	+1673
		1600	+1673

LAF rate 4.25% bid/6.25% offer TWI 120.4 *-0.2* 20.2.95

Hong Kong Monetary Authority

EF bills		EF notes/Hong Kong Government bonds				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.66	15 months	2605	6.35	99.12	7.22
1 month	6.00	21 months	2611	6.90	99.34	7.44
3 months	6.39	29 months	3707	6.95	98.64	7.71
6 months	6.70	35 months	3801	8.00	100.66	7.89
12 months	7.01	58 months	5912	8.15	99.75	8.38

Total turnover of bills and bonds - \$9,783 MN

Closed February 20, 1995

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