



# DAILY INFORMATION BULLETIN

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THURSDAY, MAY 31, 1990

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NEW AIRPORT PROJECT WITHIN HONG KONG'S CAPABILITIES

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HONG KONG'S NEW AIRPORT AND RELATED WORKS ARE ACHIEVABLE AND WITHIN HONG KONG'S PROVEN CAPABILITIES.

THAT WAS THE MESSAGE TODAY (THURSDAY) FROM THE ACTING SECRETARY FOR WORKS, MISS ELAINE CHUNG, AS SHE OPENED THE HONG KONG AIRPORT CONSTRUCTION AND DEVELOPMENT EXHIBITION.

SPEAKING AT THE CONVENTION AND EXHIBITION CENTRE, SHE SAID THE AIRPORT WAS ESSENTIAL TO THE CONTINUED SUCCESS OF HONG KONG AS A WORLD AND REGIONAL CENTRE FOR FINANCE, TRADE, MANUFACTURING AND TOURISM.

SHE POINTED OUT THAT EVERYTHING POSSIBLE HAD BEEN, AND WAS BEING DONE TO EXPAND THE EXISTING AIRPORT, BUT EVEN AFTER THE COMPLETION OF THE \$3.6 BILLION PACKAGE OF EXPANSION WORKS NOW IN HAND, THERE WAS A REAL RISK THAT THE AIRPORT WOULD BE SATURATED AS EARLY AS 1994.

CONSULTANTS HAVE ESTIMATED THAT IF KAI TAK WERE SATURATED IN 1996 AND NO REPLACEMENT AIRPORT WERE PROVIDED, HONG KONG WOULD SUFFER ECONOMIC DISBENEFITS FROM LOST BUSINESS OF ABOUT \$100 BILLION IN THE 14 YEARS BETWEEN THEN AND 2010.

"THE NEW AIRPORT IS GOING TO BE BUILT," MISS CHUNG STRESSED.

"THE CONSTRUCTION OF THE AIRPORT AND ITS RELATED INFRASTRUCTURAL DEVELOPMENT IS NO LONGER AN IDEA, A PROPOSAL, AN ALTERNATIVE, A 'MAY BE'," SHE SAID.

"ANYONE WHO IS AT THIS STAGE ASKING: 'WILL IT REALLY GO AHEAD?' IS ASKING TO BE LEFT REALLY FAR BEHIND," SHE ADDED.

MUCH OF THE WORK GOING ON AT THE MOMENT MAY NOT BE IMMEDIATELY APPARENT TO PUBLIC VIEW, BUT THAT SITUATION WILL SOON CHANGE DRAMATICALLY.

AMONG THE TENDERS EXPECTED TO BE INVITED THIS YEAR ARE THOSE FOR THE RELOCATION OF THE YAU MA TEI TYPHOON SHELTER, AN ADVANCED WORKS FOR THE AIRPORT AT CHEK LAP KOK AND THE FIRST PHASE OF WEST KOWLOON RECLAMATION.

IN SEPTEMBER, PROPOSALS WILL BE INVITED FOR THE FINANCE, CONSTRUCTION AND OPERATION OF THE LANTAU FIXED CROSSING BETWEEN TSING YI AND LANTAU ISLAND UNDER A FRANCHISE ARRANGEMENT.

MISS CHUNG POINTED OUT THAT MANY OF THE COMPONENT PROJECTS FOR THE CHEK LAP KOK AIRPORT ARE LARGE AND COMPLEX IN THEMSELVES. THEY PRESENT CHALLENGING ENGINEERING AND SCHEDULING PROBLEMS, WHICH ARE COMPOUNDED BY THE CLOSE INTERRELATIONSHIPS BOTH PHYSICALLY AND FINANCIALLY BETWEEN THE PROJECTS.

/"THESE REQUIREMENTS .....

"THESE REQUIREMENTS SET AGAINST THE VERY TIGHT TIME-FRAME WHICH WE HAVE SET OURSELVES, POINTS TO THE NEED FOR THE HIGHEST LEVEL OF PROFESSIONAL EXPERTISE AND DEDICATION OF RESOURCES PLUS BOLD, TIMELY AND INNOVATIVE ACTION TO ENSURE SUCCESS," SHE SAID.

SHE ADDED THAT THERE WAS CONSIDERABLE SCOPE FOR PRIVATE SECTOR INVOLVEMENT IN THE WHOLE OF THE AIRPORT AND ITS RELATED WORKS PROJECTS AND THERE HAD ALREADY BEEN A VERY HIGH LEVEL OF INTERNATIONAL INTEREST SHOWN.

"WE EXPECT THAT BETWEEN 40 TO 60 PER CENT OF THE TOTAL COST OF IMPLEMENTING OUR PLANS WILL COME FROM PRIVATE SECTOR PARTICIPATION AND FUNDING.

"THE CLOSURE OF KAI TAK AND THE ASSOCIATED LIFTING OF RESTRICTIONS ON DEVELOPMENTS IN THE FLIGHT PATH LEADING TO IT WILL IN THE LONGER TERM GENERATE CONSIDERABLE ADDITIONAL DEVELOPMENT OPPORTUNITIES," SHE SAID.

SAYING THAT THE NEW AIRPORT PROGRAMME WOULD PUT PRESSURE ON THE CAPACITY OF THE CONSTRUCTION INDUSTRY, ESPECIALLY DURING THE YEARS 1992 TO 1996 WHEN CONSTRUCTION ACTIVITY WOULD BE AT ITS PEAK, MISS CHUNG SAID IT SHOULD BE KEPT IN MIND THAT THE CONSTRUCTION INDUSTRY HAD MET CHALLENGES IN THE PAST BY UPGRADING ITSELF AND BY THE ENTRY OF NEW FIRMS AND ADOPTION OF NEW TECHNOLOGY.

"THE MAJOR WORK INVOLVED, AT LEAST INITIALLY, TENDS TO BE CAPITAL-INTENSIVE AND ALLOWS GREATER SCOPE FOR UTILISING MAJOR EQUIPMENT AND FOR HIGHER LABOUR PRODUCTIVITY.

"FOR SOME TIME NOW, GOVERNMENT HAS BEEN ACUTELY AWARE OF THE LIMITATIONS OF THE EXISTING SCHEME FOR THE IMPORTATION OF LABOUR. WE HAVE BEEN WORKING WITHIN CERTAIN PARAMETERS ON NEW SCHEMES WHICH WERE ANNOUNCED YESTERDAY.

"I HOPE THESE NEW SCHEMES AND THE ABOLITION OF CERTAIN RESTRICTIONS WILL GO SOME WAY TO PROVIDE RELIEF TO THE CONSTRUCTION INDUSTRY, IN PARTICULAR, THOSE BIDDING FOR THE NEW AIRPORT AND PORT PROJECTS," SHE SAID.

"BUT HONG KONG'S MOST VALUABLE RESOURCE HAS ALWAYS BEEN ITS PEOPLE.

"AND IT IS THE PEOPLE OF HONG KONG WHO WILL ENSURE THAT THE NEW AIRPORT WILL BE BUILT AND WHO WILL BENEFIT FROM HAVING A STATE-OF-THE-ART FACILITY WHICH WILL ENSURE THEIR PROSPERITY WELL INTO THE NEXT CENTURY," MISS CHUNG ADDED.

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SECRETARY GIVES JOINT PRESENTATION ON AIRPORT PROJECT

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ON THE FINAL LEG OF HIS TOUR OF NORTH AMERICA AND EUROPE, THE SECRETARY FOR WORKS, MR KENNETH KWOK, ON WEDNESDAY (MAY 30) GAVE A JOINT PRESENTATION IN SAN FRANCISCO WITH A BECHTEL CORPORATION VICE PRESIDENT, MR STUART HILL, IN CONNECTION WITH THE NEW AIRPORT PROJECT.

ADDRESSING AROUND 150 MEMBERS AND GUESTS AT A LUNCH MEETING OF THE HONG KONG ASSOCIATION OF NORTHERN CALIFORNIA, MR KWOK GAVE AN OVERVIEW OF THE PORT AND AIRPORT DEVELOPMENT STRATEGY (PADS).

HE DESCRIBED THE TRANSPORTATION LINKS INVOLVED IN THE PROJECT AND THE COMPLEX CO-ORDINATION ROLE IN TYING TOGETHER ALL THE COMPONENTS OF THE AIRPORT DEVELOPMENT FOR A COMMON TARGET DATE.

FOR THIS REASON, THE GOVERNMENT HAD APPOINTED A WORLD-CLASS STATUS PROJECT MANAGER, SAN FRANCISCO-BASED BECHTEL CORPORATION, AS OVERALL PROJECT MANAGER FOR THE WORKS, MR KWOK SAID.

HE EXPLAINED THAT THE COMPANY WOULD BE INVOLVED IN ENSURING THAT THE TRANSPORT INFRASTRUCTURE WAS IN PLACE SIX MONTHS BEFORE THE AIRPORT WAS READY, IN FULLY CO-ORDINATING ALL THE CONSTRUCTIONAL ACTIVITIES AND IN MONITORING THE CASH FLOW.

TURNING TO THE PORT DEVELOPMENT, MR KWOK SAID THIS WAS QUITE DIFFERENT TO THE AIRPORT PROGRAMME.

"WE WANT THE PORT EXPANSION PROGRAMME TO BE DEMAND LED. WE DON'T HAVE A TARGET DATE FOR THE PHYSICAL EXPANSION OF THE PORT BUT WE KEEP A VERY CLOSE MONITOR ON THE THROUGHPUT OF THE PORT TO TRIGGER OFF FURTHER DEVELOPMENT WITH SUFFICIENT LEAD TIME TO MEET THE DEMAND.

"WE HAVE JUST FINISHED CONTAINER TERMINAL NUMBER SIX AND THIS IS JUST IN OPERATION; NUMBER SEVEN IS BEING BUILT; NUMBER EIGHT WILL BE CONTIGUOUS WITH STONECUTTERS ISLAND; AND NUMBER NINE WILL BE AT TSING YI. AFTER TERMINAL NUMBER NINE WE WILL HAVE COMPLETED ALL THE CONTAINER TERMINAL DEVELOPMENT AT KWAI CHUNG," MR KWOK SAID.

"FOR FURTHER EXPANSION, WE WILL COME TO NORTHERN LANTAU ISLAND TO DO WHAT WE CALL A 'PORT PENINSULA' WITH CONTAINER TERMINALS AND MULTI-PURPOSE TERMINALS, WITH A POSSIBLE SECOND LINK FIXED CROSSING TO HONG KONG ISLAND."

MR KWOK ASSURED HIS AUDIENCE THAT A GOOD PORTION OF THE US\$16 BILLION PORT AND AIRPORT DEVELOPMENT WOULD BE DIRECTLY FUNDED BY THE GOVERNMENT RESERVES, FOR INSTANCE THE 10-MILE NORTH LANTAU EXPRESSWAY PROJECT, ESTIMATED TO COST AROUND US\$700 MILLION.

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## LATEST MONETARY DEVELOPMENTS REVIEWED

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THE SECRETARY FOR MONETARY AFFAIRS, MR DAVID NENDICK, THIS (THURSDAY) EVENING REVIEWED RECENT MONETARY DEVELOPMENTS AND ALLAYED CONCERN OVER WHAT HAS BEEN SEEN AS A NEW DECLINE IN THE SHARE OF HONG KONG DOLLAR DEPOSITS IN TOTAL DEPOSITS.

ADDRESSING THE ANNUAL DINNER OF THE HONG KONG INSTITUTE OF ECONOMIC SCIENCE, MR NENDICK SAID THERE HAD BEEN A CONTINUOUS GROWTH IN HONG KONG DOLLAR DEPOSITS AND THE GROWTH RATE AT 15.5 PER CENT FOR 1989 WAS INDEED HIGHER THAN THE GROWTH RATE OF GROSS DOMESTIC PRODUCT IN MONEY TERMS.

"GIVEN THAT THE GROWTH OF THE HONG KONG DOLLAR DEPOSIT BASE HAS AT LEAST KEPT UP WITH THE EXPANSION IN THE ECONOMY, IT SEEMS THAT THE FACTS DO NOT SUPPORT THE PREMISE THAT HONG KONG RESIDENTS, WHETHER BUSINESSES OR INDIVIDUAL, HAVE BEEN SHIFTING FROM HONG KONG DOLLARS INTO FOREIGN CURRENCIES TO ANY GREAT EXTENT.

"OR AT LEAST, IF THEY HAVE, THERE MUST HAVE BEEN A MATCHING INCREASE IN THE HOLDING OF HONG KONG DOLLAR DEPOSITS BY NON-RESIDENTS.

"OVER THE LAST TWO YEARS, SAVINGS DEPOSITS, WHICH ONE WOULD EXPECT TO BE MAINLY HELD BY RESIDENTS, HAVE BEEN GROWING AT LESS THAN HALF THE PACE OF TIME DEPOSITS - A MEDIUM MORE LIKELY TO BE USED BY NON-RESIDENTS," MR NENDICK SAID.

"WHILE THIS LENDS SOME CREDENCE TO THE SECOND SUPPOSITION, IT MAY ONLY INDICATE THAT SMALL SAVERS IN HONG KONG HAVE BECOME INTEREST-RATE CONSCIOUS," HE ADDED.

MR NENDICK STRESSED THAT THERE WAS NOTHING NEW ABOUT A DECLINE IN THE SHARE OF HONG KONG DOLLAR DEPOSITS IN TOTAL DEPOSITS.

"HONG KONG DOLLAR DEPOSITS HAVE BEEN DECLINING AS A PROPORTION OF TOTAL DEPOSITS SINCE THE EARLY 1980'S.

"ADJUSTED FOR SWAP DEPOSITS BOOKED LOCALLY, THE PROPORTION STOOD AT 43.3 PER CENT AT THE END OF MARCH 1990 COMPARED WITH 60.1 PER CENT AT THE END OF 1984.

"BUT THE FIGURE HAS BEEN WITHIN ABOUT TWO PERCENTAGE POINTS OF 45 PER CENT SINCE MID-1988 AND HAS THEREFORE BEEN BROADLY STABLE FOR NEARLY TWO YEARS.

"CERTAINLY IT IS NOT A PHENOMENON WHICH CAN BE ASCRIBED TO EVENTS IN CHINA LAST JUNE," HE SAID.

HE POINTED OUT THAT IT WAS NOT THAT HONG KONG DOLLAR DEPOSITS HAD FALLEN OR CEASED TO RISE, BUT THAT FOREIGN CURRENCY DEPOSITS HAD BEEN INCREASING EVEN MORE RAPIDLY.

THE EFFECT OF EXCHANGE RATE MOVEMENTS WAS ONE OF THE REASONS THAT LED TO THE RAPID INCREASE IN FOREIGN CURRENCY DEPOSITS, MR NENDICK EXPLAINED.

"OVER THE PERIOD 1985-89, THE U.S. DOLLAR, AND THEREFORE THE HONG KONG DOLLAR, TENDED TO DEPRECIATE AGAINST OTHER MAJOR CURRENCIES.

"DEPOSITS IN THESE CURRENCIES, WHEN TRANSLATED INTO HONG KONG DOLLARS FOR THE PURPOSE OF VALUATION, THEREFORE TENDED TO GROW MORE RAPIDLY THAN THEIR RATE OF INCREASE WHEN MEASURED IN THE FOREIGN CURRENCIES CONCERNED," HE SAID.

INVESTORS IN HONG KONG WHO HAD BEEN ALIVE TO EXCHANGE FLUCTUATIONS SHIFTED PART OF THEIR FINANCIAL ASSETS INTO FOREIGN CURRENCY DEPOSITS IN THE HOPE OF EXCHANGE GAINS WAS ANOTHER REASON, HE SAID.

"SOME INVESTORS, TOO, HAVE BEEN ATTRACTED BY THE HIGHER INTEREST YIELDS AVAILABLE ON CERTAIN FOREIGN CURRENCY DEPOSITS," HE NOTED.

"UNTIL MID-1988, EVEN U.S. DOLLAR DEPOSITS, WHERE BECAUSE OF THE LINKED EXCHANGE RATE SYSTEM THERE IS NO EXCHANGE RATE RISK, OFFERED CONSISTENTLY HIGHER INTEREST RATES THAN THE CORRESPONDING HONG KONG DOLLAR DEPOSITS," MR NENDICK SAID.

PROBABLY THE MOST IMPORTANT REASON OF ALL WAS THAT HONG KONG'S CONTINUING DEVELOPMENT AS AN INTERNATIONAL FINANCIAL CENTRE HAD RESULTED IN A GROWTH IN OFFSHORE BUSINESS CONDUCTED THROUGH HONG KONG, HE ADDED.

TURNING TO ANOTHER TREND IN THE MONETARY AGGREGATES WHICH HAD ATTRACTED RECENT ATTENTION - THE INCREASE IN THE RATIO OF HONG KONG DOLLAR LOANS TO DEPOSITS, MR NENDICK SAID THE INCREASE WAS THE RESULT OF A RAPID GROWTH IN HONG KONG DOLLAR LOANS IN 1988 AND 1989.

"THIS IN TURN MUST BE LARGELY A REFLECTION OF THE SUBSTANTIAL REDUCTION IN THE AMOUNT OF NEW EQUITY RAISED SINCE THE STOCK MARKET CRASH IN OCTOBER 1987 AND THE SLOWDOWN IN CAPITAL MARKET ISSUES SINCE 1986," HE SAID.

"SLOWER GROWTH IN THE LOCAL ECONOMY WILL ALSO HAVE HAD ITS EFFECT, IN THAT FIRMS WILL HAVE BEEN LESS ABLE TO RELY ON RETAINED PROFITS TO MEET THEIR FINANCING REQUIREMENTS AND HAVE NEEDED TO HAVE MORE RESORT TO BANK LOANS," HE EXPLAINED.

PARTLY IN RESPONSE TO THESE TRENDS, HONG KONG DOLLAR INTEREST RATES WERE INCREASED IN MARCH AND APRIL THIS YEAR, MR NENDICK NOTED.

THE HONG KONG ASSOCIATION OF BANKS HOPED THAT THIS WOULD HAVE THE EFFECT OF BOTH ENCOURAGING MORE RAPID GROWTH IN HONG KONG DOLLAR DEPOSITS AND DETERRING BORROWERS FROM TAKING LOANS FROM NON-ESSENTIAL PURPOSES, HE POINTED OUT.

REVIEWING THE LATEST DEVELOPMENT IN THE EXCHANGE FUND BILL, MR NENDICK SAID RESPONSES AT TENDERS SO FAR HAD BEEN VERY SATISFACTORY.

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"IT IS ALREADY CLEAR THAT OUR PRINCIPAL OBJECT, THAT OF CREATING A MONEY MARKET INSTRUMENT TO ASSIST IN EFFECTIVE MONETARY MANAGEMENT, IS BEING ACHIEVED," HE SAID.

ALL BILLS AVAILABLE FOR TENDER IN THE FIRST 12 ISSUES WERE FULLY ALLOTTED EXCEPT IN THE CASE OF THE NINTH ISSUE WHERE THE GOVERNMENT DECIDED TO WITHHOLD PART OF THEM DESPITE SUBSTANTIAL OVER-SUBSCRIPTION, MR NENDICK SAID.

AS THE GOVERNMENT CONSIDERED THE YIELD ON THAT OCCASION WOULD HAVE BEEN TOO EXPENSIVE, PARTICULARLY IN VIEW OF THE TAX FREE STATUS OF THE BILLS AND THE LIQUIDITY THAT THE BILLS OFFERED, IT DECIDED TO WITHHOLD PART OF THE ISSUE, HE SAID.

REGARDING THE MARKET MAKERS' RESPONSE AT TENDERS, MR NENDICK DESCRIBED IT AS ENCOURAGING, ADDING THAT OF THE \$3.5 BILLION OF BILLS SO FAR OFFERED, AROUND 69 PER CENT HAD BEEN ALLOTTED TO THEM.

THE MARKET MAKERS HAD ALSO BEEN SUPPORTIVE IN THE SECONDARY MARKET, MR NENDICK SAID.

TURNOVER IN THE SECONDARY MARKET IN MAY HAD BEEN MUCH HIGHER THAN APRIL, AVERAGING ABOUT \$500 MILLION PER DAY, COMPARED WITH \$95 MILLION PER DAY IN APRIL, HE POINTED OUT.

THE INCREASE IN SECONDARY MARKET ACTIVITIES WAS PARTLY DUE TO THE IMPLEMENTATION OF THE REQUIREMENT FOR A MARKET MAKER TO QUOTE BOTH BID AND OFFER YIELDS; ALLOWING A MAXIMUM OF 10 BASIS POINTS FOR THE SPREAD BETWEEN THE BID AND OFFERED YIELDS AND PERMITTING A MARKET MAKER TO RUN SHORT POSITIONS AS LONG AS ITS NET POSITION IN ALL ISSUES WAS NOT SHORT, MR NENDICK SAID.

"WITH THE ASSISTANCE OF THE MARKET COMMITTEE, WE HAVE BEEN CONDUCTING A REVIEW OF MARKET DEVELOPMENTS SINCE BILLS WERE FIRST ISSUED AND SOME MODIFICATIONS WILL BE INTRODUCED AT THE END OF THE INITIAL 13 WEEK PROGRAMME.

"WHILE THERE IS NO IMMEDIATE INTENTION OF MAKING ANY CHANGE IN THE AMOUNT OF 91-DAY BILLS, WHICH WILL BE OFFERED AT WEEKLY TENDERS, THIS WILL BE KEPT UNDER REVIEW AND THE AMOUNTS MAY BE INCREASED IF CIRCUMSTANCE SO WARRANT.

"IN ORDER TO ENHANCE THE EFFECTIVENESS OF THE BILLS AS MONEY MARKET INSTRUMENTS, BILLS OF OTHER MATURITIES UP TO 12 MONTHS MAY BE ISSUED ADDITIONALLY FROM TIME TO TIME," HE SAID.

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PRUDENTIAL SUPERVISION OF FOREIGN EXCHANGE RISKS

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FOLLOWING EXTENSIVE CONSULTATION WITH THE BANKING INDUSTRY, THE COMMISSIONER OF BANKING HAS ANNOUNCED THAT A MORE STRUCTURED APPROACH TO THE SUPERVISION OF FOREIGN EXCHANGE RISK IS TO BE INTRODUCED, A GOVERNMENT SPOKESMAN SAID TODAY (THURSDAY).

"THE APPROACH IS ONE WHICH ENCOURAGES BANK MANAGEMENT TO ENSURE THAT THEIR OWN INTERNAL CONTROLS IDENTIFY AND LIMIT THE BANK'S EXPOSURES TO EXCHANGE RATE MOVEMENTS TO AMOUNTS IN KEEPING WITH THEIR CAPITAL AND WITH THE NATURE OF ITS BUSINESS," HE SAID.

"THE COMMISSIONER IS SATISFIED, IN THE LIGHT OF HIS CONSULTATIONS, THAT THE APPROACH WILL HAVE NO ADVERSE EFFECTS ON THE OPERATION OF THE HONG KONG FOREIGN EXCHANGE MARKET," THE SPOKESMAN ADDED.

FOLLOWING IS AN EXPLANATORY NOTE ON THE NEW APPROACH TO SUPERVISING FOREIGN EXCHANGE RISKS.

EXPLANATORY NOTE

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SUPERVISION OF FOREIGN EXCHANGE RISKS HAS ALWAYS BEEN AN INTEGRAL PART OF THE COMMISSIONER'S REGULAR OVERSIGHT OF THE PERFORMANCE OF INDIVIDUAL AUTHORISED INSTITUTIONS. HOWEVER, SUPERVISION UNTIL NOW HAS BEEN INFORMAL; FOREIGN EXCHANGE OPERATIONS HAVE BEEN INCLUDED IN MATTERS DISCUSSED IN ROUTINE PRUDENTIAL CONSULTATIONS WITH BANKS.

THE COMMISSIONER HAS REVIEWED THE ARRANGEMENTS IN THE LIGHT OF THE CHARACTERISTICS OF THE HONG KONG FOREIGN EXCHANGE MARKET, AND THE FACT THAT FOREIGN CURRENCIES ACCOUNT FOR A GROWING PROPORTION OF AUTHORISED INSTITUTIONS' BALANCE SHEETS.

FOR HONG KONG INCORPORATED INSTITUTIONS, THE OVERSIGHT OF WHOSE CAPITAL ADEQUACY IS DIRECTLY THE RESPONSIBILITY OF THE COMMISSIONER, GUIDELINES HAVE BEEN ISSUED TO INDIVIDUAL INSTITUTIONS IN RESPECT OF LIMITS ON OPEN POSITIONS IN FOREIGN EXCHANGE. AN INSTITUTION'S AGGREGATE NET OVERNIGHT OPEN POSITION SHOULD NOT NORMALLY EXCEED 5 PER CENT OF ITS CAPITAL BASE; ITS NET OVERNIGHT OPEN POSITION IN ANY INDIVIDUAL CURRENCY SHOULD NOT NORMALLY EXCEED 10 PER CENT OF ITS CAPITAL BASE. IN PARTICULAR CASES, IF AN INSTITUTION HAS DEMONSTRATED A HIGH DEGREE OF MARKET AND SYSTEM PROFICIENCY, THE NORMAL AGGREGATE LIMIT CAN BE HIGHER THAN 5 PER CENT, BUT IN ANY EVENT NO MORE THAN 15 PER CENT OF CAPITAL BASE.

IN VIEW OF THE SPECIAL RELATIONSHIP BETWEEN THE US\$ AND HK\$ UNDER THE LINKED EXCHANGE RATE, POSITIONS BETWEEN THESE TWO CURRENCIES WILL BE EXCLUDED FROM THE CALCULATION OF OPEN POSITIONS. ARBITRAGE IN THE FOREIGN EXCHANGE MARKET WHEN THE RATE DEVIATES FROM HK\$7.8 TO US\$1 IS AN IMPORTANT MEANS FOR MAINTAINING THE STABILITY OF THE EXCHANGE RATE. INSTITUTIONS ARE HOWEVER EXPECTED TO SET IN-HOUSE LIMITS FOR SUCH POSITIONS.

/FOR HONG .....

FOR HONG KONG BRANCHES OF OVERSEAS BANKS, WHERE CAPITAL ADEQUACY IS THE PRIMARY RESPONSIBILITY OF THE OVERSEAS SUPERVISOR, THE SUPERVISORY ARRANGEMENTS WILL BE LESS STRUCTURED. THE COMMISSIONER WILL MONITOR MANagements' INTERNAL LIMITS AND, WHERE THE FIGURES SEEM UNDULY LARGE, REVIEW THESE WITH OVERSEAS HEAD OFFICES, AND IF NECESSARY WITH THE OVERSEAS SUPERVISORY AUTHORITIES.

AS PART OF THE CONSULTATIONS WITH THE INDUSTRY, THE COMMISSIONER'S OFFICE SURVEYED INSTITUTIONS INCORPORATED IN HONG KONG TO ASSESS WHAT LIMITS THEY REQUIRED IN ORDER TO MEET THEIR NORMAL OPERATIONAL NEEDS. THE SURVEY CONFIRMED THAT INSTITUTIONS' INTERNAL LIMITS GENERALLY FITTED WELL WITHIN THE GUIDELINES.

FOR MONITORING PURPOSE, INSTITUTIONS HAVE BEEN ASKED TO REPORT THEIR OPEN POSITIONS AS AT THE END OF EACH MONTH, INCLUDING DATES DURING THE MONTH ON WHICH THE GUIDELINE HAS BEEN EXCEEDED.

THE NEW ARRANGEMENTS FOR THE SUPERVISION OF FOREIGN EXCHANGE RISK WILL BECOME OPERATIVE AS FROM JULY 1, 1990.

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GOVT ATTACHES GREAT IMPORTANCE TO SIXTH FORM EDUCATION

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THE GOVERNMENT ATTACHES GREAT IMPORTANCE TO SIXTH FORM EDUCATION AND THERE HAS BEEN MUCH CAREFUL PLANNING AND CONSIDERATION TO ENSURE THAT HONG KONG HAS A SCHEME THAT MEETS THE NEEDS OF BOTH THE INDIVIDUAL AND SOCIETY, THE SECRETARY FOR EDUCATION AND MANPOWER, MR K.Y. YEUNG, SAID THIS (THURSDAY) EVENING.

HE WAS OFFICIATING AT THE 12TH SPEECH DAY OF NG YUK SECONDARY SCHOOL.

MR YEUNG SAID THE DEVELOPMENT OF SIXTH FORM EDUCATION HAD BEEN ONE OF THE MAJOR EDUCATIONAL CONTROVERSIES OVER THE LAST DECADE.

HE NOTED THAT AS RECOMMENDED IN THE SECOND REPORT OF THE EDUCATION COMMISSION, HONG KONG WAS NOW MOVING TOWARDS A SINGLE POINT OF ENTRY TO TERTIARY INSTITUTIONS, A CENTRALISED ADMISSIONS SYSTEM TO HIGHER EDUCATION, AND AN INTEGRATED SIXTH FORM CURRICULUM WITH A TWO-YEAR A LEVEL COURSE FOR ALL SCHOOLS, BOTH ANGLO-CHINESE AND CHINESE MIDDLE.

"AS PART OF THIS, BILINGUAL A LEVELS ARE AVAILABLE TO CATER FOR THE LATTER. H LEVELS IS BEING ABOLISHED AND A NEW CURRICULUM, DERIVED FROM A LEVELS TO BE TERMED ADVANCED SUPPLEMENTARY (AS) LEVEL, IS TO BE INTRODUCED IN 1992," HE SAID.

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"THE NEW TYPE OF SIXTH FORM EDUCATION FOR THE 1990'S WILL BE BOTH A MATRICULATION STREAM FOR THOSE WHO PROCEED TO HIGHER EDUCATION AND SOMETHING THAT WILL HAVE REAL VALUE FOR THOSE WHO ENTER THE JOB MARKET."

HE SAID WORK WAS PROGRESSING SMOOTHLY TO ACHIEVE THE TIMETABLE OF INTRODUCING THE NEW ADVANCED SUPPLEMENTARY LEVEL COURSES TO ALL SCHOOLS IN 1992.

TO HELP TEACHERS TEACH THE NEW AS LEVEL SUBJECTS, THE EDUCATION DEPARTMENT WAS PLANNING TWO TYPES OF SERVICE TRAINING COURSES.

"THEY CONSIST, FIRSTLY, OF SHORT COURSES, SEMINARS AND WORKSHOPS ORGANISED AND RUN BY THE INSPECTORATE DIVISION OF THE EDUCATION DEPARTMENT AND SECONDLY, OF COURSES COMMISSIONED BY THE DEPARTMENT BUT RUN BY TERTIARY INSTITUTIONS.

"SOME OF THESE COURSES WILL COMMENCE IN SEPTEMBER THIS YEAR," MR YEUNG SAID.

HE SAID THE HONG KONG EXAMINATIONS AUTHORITY HAD SECURED RECOGNITION OF AS LEVEL RESULTS BY THE TERTIARY INSTITUTIONS ON THE BASIS THAT TWO AS LEVEL PASSES WOULD EQUATE WITH ONE A LEVEL PASS FOR ADMISSION PURPOSES.

"THE NEXT HURDLE IS TO SECURE ACCEPTANCE OF AS LEVELS FOR EMPLOYMENT IN THE CIVIL SERVICE, SOMETHING THAT IS BEING WORKED ON AT THE MOMENT," HE ADDED.

"I HAVE NO DOUBT THAT THE NEW AS LEVELS WILL FIND FAVOUR WITH STUDENTS, WHO WILL FIND THEMSELVES MORE KNOWLEDGEABLE AND BETTER ABLE TO MEET THE CHALLENGES AND DIFFICULTIES OF LATER LIFE," HE SAID.

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#### GOVERNOR VISITS TERRITORY DEVELOPMENT DEPARTMENT

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THE GOVERNOR, SIR DAVID WILSON, WAS BRIEFED ON THE PROGRESS OF NEW TOWN DEVELOPMENT DURING A VISIT TO THE TERRITORY DEVELOPMENT DEPARTMENT TODAY (THURSDAY).

THE GOVERNOR FIRST VISITED THE DEPARTMENT'S HEADQUARTERS WHERE HE WAS BRIEFED BY THE DIRECTOR OF TERRITORY DEVELOPMENT, DR NIP KAM-FAN.

DR NIP EXPLAINED THAT THE DEPARTMENT IS RESPONSIBLE FOR THE DEVELOPMENT OF THE EIGHT NEW TOWNS IN THE NEW TERRITORIES, NAMELY TSUEN WAN/KWAI TSING, SHA TIN, TUEN MUN, TAI PO, FANLING/SHEUNG SHUI, YUEN LONG, TIN SHUI WAI AND TSEUNG KWAN O.

/EACH NEW .....

EACH NEW TOWN HAS BEEN DESIGNED TO BE SELF-CONTAINED AND THE DEPARTMENT HAS THE IMPORTANT ROLE OF CO-ORDINATING THE WORK OF ALL OTHER DEPARTMENTS IN THE PROVISION OF INFRASTRUCTURE AND COMMUNITY FACILITIES.

THE GOVERNOR WAS TOLD THAT UP TO MARCH THIS YEAR, SOME \$29 BILLION HAS BEEN SPENT ON THE NEW TOWNS, EXCLUDING EXPENDITURE ON PUBLIC HOUSING AND LAND ACQUISITION.

THE POPULATION OF THE NEW TOWNS HAS GROWN FROM JUST OVER HALF A MILLION IN THE MID SEVENTIES TO OVER TWO MILLION IN 1990, AND IS EXPECTED TO REACH THREE MILLION BY THE TURN OF THE CENTURY.

THE DEPARTMENT IS ALSO RESPONSIBLE FOR NEW DEVELOPMENT AREAS ON HONG KONG ISLAND AND IN KOWLOON, SUCH AS THE CENTRAL AND WAN CHAI AND THE WEST KOWLOON RECLAMATIONS.

ABOUT \$6 BILLION IS EARMARKED FOR PROJECTS IN THE NEW TOWNS AND THE OTHER NEW DEVELOPMENT AREAS FOR THIS YEAR.

SIR DAVID ALSO VISITED TIN SHUI WAI TO SEE AT FIRST HAND PROGRESS WITH THE DEVELOPMENT OF THE NEW TOWN. HE NOTED THAT TIN SHUI WAI IS THE LATEST OF THE NEW TOWNS, AND IS NOW BEING DEVELOPED BY THE HONG KONG GOVERNMENT ON A JOINT VENTURE BASIS WITH A PRIVATE DEVELOPER.

A TOWNSHIP OF ABOUT 169 HECTARES IS TO BE DEVELOPED TO ACCOMMODATE 135,000 PEOPLE WITH HALF OF THE POPULATION IN PUBLIC HOUSING AND THE REMAINING HALF IN PRIVATE LOTS. THE FIRST RESIDENTS ARE EXPECTED TO MOVE IN BY THE END OF NEXT YEAR.

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#### REVAMPING OF BUILDING REGULATIONS TO ALLOW GREATER FLEXIBILITY

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THE BUILDINGS AND LANDS DEPARTMENT IS ABOUT TO COMPLETE A REVAMPING OF THE BUILDING (CONSTRUCTION) REGULATIONS IN A BID TO ALLOW GREATER FLEXIBILITY IN BUILDING ACTIVITIES.

THIS WAS STATED BY THE DIRECTOR OF THE DEPARTMENT, MR TONY EASON, WHEN HE OFFICIATED AT THE OPENING OF THE 7TH INTERNATIONAL BUILDING EXHIBITION (IBEX 90) THIS (THURSDAY) MORNING.

MR EASON SAID THE REVISED REGULATIONS SHOULD BE IN PLACE WITHIN THE NEXT FEW MONTHS AND OBSOLETE PROVISIONS AND REQUIREMENTS WHICH WERE OFTEN REGARDED AS RIGID WOULD BE REPLACED BY PERFORMANCE STANDARDS AND CRITERIA.

"GUIDELINES AND INDICATORS AS TO HOW THE STANDARDS AND CRITERIA CAN BE SATISFIED WILL BE EMBODIED IN CODES OF PRACTICE ON SPECIFIC ASPECTS, WHICH WILL BE PUBLISHED AND UPDATED FROM TIME TO TIME.

/"BUILDERS WILL .....

"BUILDERS WILL BE ABLE TO FOLLOW THESE CODES TO ACHIEVE COMPLIANCE, OR EMPLOY ALTERNATIVE METHODS WHICH WILL GIVE EQUALLY SATISFACTORY RESULTS," HE SAID.

MR EASON ALSO POINTED OUT THAT THE THEME WHICH RAN THROUGH MUCH OF HIS DEPARTMENT'S WORK HAD TO DO WITH ENVIRONMENTAL QUALITY, OR QUALITY OF LIFE, AND SAID HIS WAS IN FACT VERY MUCH A "QUALITY OF LIFE" DEPARTMENT.

"AS BUILDING AUTHORITY, PART OF MY MISSION IS TO ENSURE THAT AS FAR AS POSSIBLE THE QUALITY OF LIFE IS ENHANCED AND NOT DIMINISHED THROUGH BUILDING DEVELOPMENT," HE SAID.

WITHIN THIS BRIEF, HE WAS ANXIOUS TO SEE THAT STATUTORY CONTROL WAS EXERCISED REASONABLY AND THAT THE BUILDINGS ORDINANCE BE KEPT UNDER CONSTANT REVIEW TO KEEP PACE WITH TECHNOLOGY ADVANCEMENT AND THE CHANGE IN DEMAND BY BUILDING USERS.

"TOO STRINGENT CONTROL SUPPRESSES INNOVATIVE ACTIVITY AND RESTRICTS FLEXIBILITY. TOO LOOSE CONTROL COMPROMISES STANDARDS AND SAFETY," HE STRESSED.

MR EASON SAID THE REVISED REGULATIONS WOULD ALLOW, AMONG OTHER THINGS, NEW BUILDING PRODUCTS AND SYSTEMS BOUGHT TO HONG KONG TO BE PUT TO GREATER USE.

IT WOULD ALSO HELP PROSPECTIVE BUYERS GREATLY IF MANUFACTURERS AND SUPPLIERS COULD VERIFY THAT THEIR PRODUCTS SATISFIED LOCAL REQUIREMENTS.

MR EASON SAID HIS DEPARTMENT HAD ALSO COMMISSIONED A STUDY ON THE CONSTRUCTION OF BUILDINGS TO TAKE INTO ACCOUNT ENERGY CONSERVATION WITH A VIEW TO INCORPORATING ENERGY-SAVING FEATURES INTO BUILDING AND BUILDING PRODUCT DESIGN.

ON OTHER ASPECTS OF HIS DEPARTMENT'S WORK, MR EASON SAID THE BUILDINGS ORDINANCE OFFICE HAD IN OCTOBER LAST YEAR BEGUN A SURVEY OF ALL EXISTING BUILDINGS IN THE TERRITORY.

SO FAR, ABOUT 95 PER CENT OF THESE BUILDINGS HAD BEEN GIVEN AN INITIAL EXTERNAL INSPECTION AND ABOUT ONE-THIRD OR 20,000 BUILDINGS HAD BEEN CLASSIFIED AS REQUIRING FURTHER DETAILED INTERNAL SURVEY AND INEVITABLY WOULD NEED REPAIR.

MR EASON SAID THE MAIN LESSON FROM THE EXERCISE WAS THAT IF BUILDINGS WERE TO LAST LONGER AND COST LESS IN THE LONG RUN, IT WAS VITAL THAT THEY BE PROPERLY MAINTAINED.

"IF THE NEED FOR REPAIR IS TO BE KEPT TO THE MINIMUM AND REDEVELOPMENT IS NOT THE ANSWER, GREATER ATTENTION WILL NEED TO BE PAID TO THE USE OF MAINTENANCE-FREE BUILDING PRODUCTS AND BUILDING SYSTEMS AS WELL AS THE PROVISION OF READY ACCESS FOR MAINTENANCE IN THE FUTURE," HE ADDED.

THURSDAY, MAY 31, 1990

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ASBESTOS WASTE ACTION PLAN ANNOUNCED

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THE ENVIRONMENTAL PROTECTION DEPARTMENT (EPD) TODAY (THURSDAY) ANNOUNCED A SERIES OF MEASURES THE DEPARTMENT WILL TAKE TO STOP FURTHER MALPRACTICE IN ASBESTOS WASTE MANAGEMENT.

THE EPD'S ASSISTANT DIRECTOR (WASTE AND WATER CONTROL), MR JOHN BOXALL, SAID THE MEASURES INCLUDED THE ASBESTOS WASTE ACTION PLAN AND A NEW TRIP TICKET SYSTEM ON THE CONTROL OF ASBESTOS WASTE.

MR BOXALL SAID UNDER THE ASBESTOS WASTE ACTION PLAN THE EPD WOULD INCREASE THE SUPERVISION OF ASBESTOS WASTE DISPOSAL AT THE LANDFILLS AT TSEUNG KWAN O AND PILLAR POINT.

THE ASBESTOS WASTE ACTION PLAN AND THE TRIP TICKET SYSTEM WILL BE LAUNCHED TOMORROW (FRIDAY).

WASTE PRODUCERS AND ASBESTOS ABATEMENT CONTRACTORS WILL BE GIVEN A TWO-WEEK GRACE PERIOD BEFORE FULL-SCALE IMPLEMENTATION OF THE ACTION PLAN ON JUNE 15.

MR BOXALL SAID ADVISORY AND WARNING LETTERS WOULD BE ISSUED TO PARTIES INVOLVED IN MALPRACTICES. IF THEY DID NOT HEED THE ADVICE OR WARNING, THE EPD WOULD SUSPEND OR CANCEL THEIR PERMITS.

THE ISSUE OF NEW PERMITS WOULD BE SUSPENDED IF A CONTRACTOR CONTINUED TO CONTRAVENE THE REQUIREMENTS OF THE CODE OF PRACTICE ON THE HANDLING, TRANSPORT AND DISPOSAL OF ASBESTOS WASTE (COP), MR BOXALL SAID.

THUS CONTRACTORS WOULD BE DENIED ENTRY TO THE LANDFILL FOR ASBESTOS WASTE DISPOSAL AND HAVE TO CEASE BUSINESS IN ASBESTOS WASTE MANAGEMENT.

ANY CONTRACTORS FOUND GUILTY OF REPEATED MALPRACTICES WOULD BE REMOVED FROM THE GOVERNMENT'S SPECIALIST LIST OF ASBESTOS ABATEMENT CONTRACTORS FOR A PERIOD OF TIME.

MR BOXALL SAID CURRENTLY THE EPD REGULATED THE DISPOSAL OF ASBESTOS WASTE THROUGH A PERMIT SYSTEM.

THE PERMIT REQUIRED THE WASTE PRODUCERS AND DISPOSAL CONTRACTORS TO FOLLOW THE COP FIRST PUBLISHED IN 1985.

IN RECENT YEARS, THERE HAD BEEN A SIGNIFICANT INCREASE IN THE AMOUNT OF ASBESTOS WASTE REQUIRING DISPOSAL AND MANY CONTRAVENTIONS OF THE REQUIREMENTS OF THE COP.

THIS PLACED AT RISK THE HEALTH OF THE WORKERS INVOLVED IN ASBESTOS WASTE MANAGEMENT AND THE PUBLIC IN GENERAL, PARTICULARLY IF THE ASBESTOS WASTE WAS TRANSPORTED IN AN UNSATISFACTORY CONDITION.

MR BOXALL SAID APART FROM THE ASBESTOS WASTE ACTION PLAN THE EPD WOULD ALSO INTRODUCE A NEW TRIP TICKET SYSTEM TO CONTROL THE MOVEMENT OF ASBESTOS WASTE FROM ONE PARTY TO ANOTHER.

/UNDER THE .....

UNDER THE SYSTEM, THE EPD WOULD ISSUE A "TRIP TICKET" TO EITHER ASBESTOS WASTE PRODUCERS OR ASBESTOS ABATEMENT CONTRACTORS WHO WOULD BE REQUIRED TO RECORD THE MOVEMENT OF WASTE STARTING FROM THE WASTE ARISING SITE TO THE WASTE DISPOSAL SITE.

THIS WOULD ENABLE EPD TO KNOW EXACTLY THE MOVEMENT AND WHEREABOUT OF ASBESTOS WASTE.

CONSULTATION ON THE ACTION PLAN HAS BEEN HELD WITH ALL RELEVANT PARTIES IN GOVERNMENT DEPARTMENTS AND THE INDUSTRY DURING THE LAST FEW MONTHS.

TO ASSIST INDUSTRY TO ADAPT TO THE NEW MEASURES, A SEMINAR HAS BEEN HELD WITH MAJOR ASBESTOS WASTE PRODUCERS AND ASBESTOS ABATEMENT CONTRACTORS ON THE ACTION PLAN AND NEW TRIP TICKET SYSTEM.

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HK REPRESENTATIVES PLAY FULL ROLE IN URUGUAY ROUND  
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HONG KONG'S STATUS IN THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT) HAS ENABLED ITS REPRESENTATIVES TO PLAY A FULL AND OFTEN LEADING ROLE IN THE CURRENT URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS, THE DIRECTOR-GENERAL OF TRADE, MR T.H. CHAU, SAID TODAY (THURSDAY).

SPEAKING AT THE INSTALLATION CEREMONY OF THE ZONTA CLUB OF HONG KONG EAST, MR CHAU SAID HONG KONG'S SECRETARY FOR TRADE AND INDUSTRY HAD BEEN AMONG A SELECT GROUP OF MINISTERS INVITED TO TWO INFORMAL MINISTERIAL MEETINGS CONCERNING THE URUGUAY ROUND.

"IN DECEMBER, WHEN THE ROUND IS SCHEDULED TO COME TO A CLOSE AT A FORMAL MINISTERIAL MEETING IN BRUSSELS, WE EXPECT HIM TO BE FULLY INVOLVED IN THE MAJOR DECISIONS WHICH WILL DETERMINE THE FUTURE OF THE GATT," HE SAID.

MR CHAU SAID THE GATT WAS THE CORNERSTONE OF HONG KONG'S EXTERNAL TRADE POLICY AND ITS INVOLVEMENT WAS OF PARAMOUNT IMPORTANCE TO THE DEFENCE OF HONG KONG'S TRADE INTERESTS.

HE SAID PRIOR TO ACQUISITION OF SEPARATE GATT MEMBERSHIP IN 1986 HONG KONG HAD FOR MANY YEARS PLAYED AN ACTIVE ROLE IN THE GATT; BUT THE EFFECTIVENESS OF ITS REPRESENTATION WAS SOMEWHAT HAMPERED BY THE FACT THAT THE TERRITORY WAS NOT A MEMBER IN ITS OWN RIGHT.

HE SAID HONG KONG'S REPRESENTATIVES AT THAT TIME HAD TO BE PART OF THE UNITED KINGDOM MISSION IN GENEVA AND, WHEN THEY SPOKE DURING GATT MEETINGS, THEY DID SO AS THE UK REPRESENTATIVES SPEAKING FOR HONG KONG.

"BECAUSE OF THE UK'S EEC MEMBERSHIP, THE HONG KONG REPRESENTATIVES FOUND THEMSELVES SITTING AT GATT MEETINGS AS PART OF THE UK DELEGATION WHICH IN TURN SAT WITH OTHER EEC MEMBER STATES AS PART OF THE EEC DELEGATION.

"SO, AT LEAST DURING MY DAYS IN GENEVA, OTHER GATT DELEGATES WERE OFTEN TREATED TO WHAT THEY REGARDED AS AN AMUSING SPECTACLE OF A UK REPRESENTATIVE ON BEHALF OF HONG KONG RAISING THE UK FLAG AND SPEAKING FROM AMIDST THE EEC DELEGATION TO CRITICISE THE EEC OR TAKE A POSITION OPPOSITE TO THE EEC'S," HE SAID.

MR CHAU SAID THERE WAS, HOWEVER, A MORE SERIOUS AND SUBSTANTIVE DISADVANTAGE; MOST OF THE GATT'S BUSINESS WAS NOT CONDUCTED IN FORMAL PLENARY MEETINGS AND THE REAL NEGOTIATIONS TOOK PLACE IN PRIVATE AND INFORMAL MEETINGS INVOLVING A SMALL NUMBER OF KEY PLAYERS.

"IN SPITE OF HONG KONG'S HIGH RANKING AS A TRADING ENTITY, I FOUND THAT, BECAUSE OF ITS LACK OF FORMAL MEMBERSHIP AND POLITICAL CLOUT, IT WAS VERY OFTEN NOT INVITED TO SUCH MEETINGS. THUS, WE SOMETIMES FOUND OURSELVES UNABLE TO INFLUENCE DEVELOPMENTS EVEN IN AREAS OF IMPORTANCE TO US.

"NOT ONLY WAS THIS AN UNFAVOURABLE SITUATION, BUT IT WAS ALSO A VERY FRUSTRATING ONE," HE SAID.

MR CHAU SAID HONG KONG'S AUTONOMY IN TRADE AND ECONOMIC MATTERS WAS EVENTUALLY CONFIRMED IN THE SINO-BRITISH JOINT DECLARATION AND ONE OF THE FIRST ACHIEVEMENTS OF THE JOINT LIAISON GROUP WAS THE AGREEMENT ON HONG KONG'S STATUS IN THE GATT.

THIS WAS FIRMLY SECURED IN 1986 WHEN, THROUGH THE UK'S SPONSORSHIP, HONG KONG WAS TURNED INTO A FULL, SEPARATE MEMBER.

"THUS IT WAS THAT, WHEN I RETURNED TO THE GATT IN FEBRUARY FOR THE FIRST TIME IN SIX YEARS, I FOUND MYSELF SITTING PROUDLY BEHIND A 'HONG KONG' SIGN AND QUITE FAR AWAY FROM THE EEC DELEGATION," HE SAID.

MR CHAU SAID HE ALSO FOUND THAT THE HONG KONG OFFICE IN GENEVA HAD BECOME A FREE-STANDING HONG KONG ECONOMIC AND TRADE OFFICE AND THAT THE HEAD OF THE OFFICE HAD BECOME HONG KONG'S PERMANENT REPRESENTATIVE TO THE GATT.

HE SAID THESE CHANGES HAD BEEN BENEFICIAL AND ALSO MEANT THAT HONG KONG'S IMPORTANT CONTRIBUTION TO WORLD TRADE COULD NO LONGER BE IGNORED.

"OUR PERMANENT REPRESENTATIVE HAS ACCESS TO THE MOST IMPORTANT INFORMAL GROUPS IN THE GATT. OUR REPRESENTATIVES CHAIR IMPORTANT GATT COMMITTEES," HE SAID.

MR CHAU SAID THERE HAD BEEN SOME VERY SIGNIFICANT CHANGES SINCE HE LEFT THE EXTERNAL TRADE POLICY AREA IN EARLY 1984 AFTER MORE THAN FOUR YEARS AS HONG KONG'S REPRESENTATIVE TO THE GATT IN GENEVA.

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IN 1983 THE VALUE OF HONG KONG'S DOMESTIC EXPORTS WAS ALMOST DOUBLE THAT OF ITS RE-EXPORTS. IN 1989, HONG KONG'S RE-EXPORTS WERE OVER 50 PER CENT HIGHER THAN ITS DOMESTIC EXPORTS.

TO FURTHER ILLUSTRATE THE POINT, BETWEEN 1983 AND 1989, WHILE HONG KONG'S DOMESTIC EXPORTS INCREASED BY 115 PER CENT AND ITS TOTAL TRADE BY 237 PER CENT, ITS RE-EXPORTS WENT UP 517 PER CENT.

"THESE FIGURES SERVE TO REFLECT THE MAJOR STRUCTURAL CHANGES THAT HAVE TAKEN PLACE IN HONG KONG'S ECONOMY FOLLOWING THE OPENING UP OF CHINA'S ECONOMY IN THE EARLY 1980'S," HE SAID.

AN IMPORTANT CHANGE HAD ALSO OCCURRED IN HONG KONG'S POSITION AMONG THE WORLD'S TRADING ENTITIES.

IN 1983, HONG KONG RANKED 17TH AMONG THE WORLD'S MAJOR TRADING NATIONS OR TERRITORIES WHICH, HE SAID, WAS NO MEAN ACHIEVEMENT, CONSIDERING HONG KONG'S VERY SMALL SIZE AND POPULATION.

"BY 1988, HOWEVER, WE HAD SHOT UP TO 11TH PLACE, A TRULY REMARKABLE ACHIEVEMENT.

"THE LARGEST TRADING NATION, THE UNITED STATES, WITH A POPULATION 40 TIMES THAT OF HONG KONG, HAD A TOTAL TRADE VALUE WHICH WAS ONLY ABOUT SIX TIMES THAT OF HONG KONG," HE SAID.

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1ST QUARTER EXPORTS STATISTICS RE-CLASSIFIED BY  
INDUSTRIAL ORIGIN PUBLISHED

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ACCORDING TO THE STATISTICS RELEASED TODAY (THURSDAY) BY THE CENSUS AND STATISTICS DEPARTMENT, THE SIX MOST IMPORTANT INDUSTRY GROUPS IN TERMS OF THE VALUE OF DOMESTIC EXPORTS IN THE FIRST QUARTER OF 1990 WERE: ELECTRICAL AND ELECTRONIC PRODUCTS; WEARING APPAREL, EXCEPT FOOTWEAR AND KNITWEAR; TEXTILES, INCLUDING KNITTING; PROFESSIONAL AND OPTICAL EQUIPMENT; BASIC METALS AND FABRICATED METAL PRODUCTS; AND PLASTIC PRODUCTS.

THEY TOGETHER ACCOUNTED FOR 80.0 PER CENT OF THE TOTAL VALUE OF MERCHANDISE DOMESTIC EXPORTS IN THE FIRST QUARTER OF 1990.

MANUFACTURING INDUSTRIES WITH THE LARGEST INCREASES IN THE ABSOLUTE VALUE OF DOMESTIC EXPORTS OVER THE FIRST QUARTER OF 1989 WERE: TOBACCO (+\$288 MILLION); TEXTILES, INCLUDING KNITTING (+\$209 MILLION); CHEMICALS AND CHEMICAL PRODUCTS (+\$207 MILLION); PAPER AND PAPER PRODUCTS, PRINTING AND PUBLISHING (+\$99 MILLION); AND FOOD (+\$51 MILLION).

IN PERCENTAGE TERMS, INDUSTRIES WITH THE LARGEST INCREASES IN THE VALUE OF DOMESTIC EXPORTS OVER THE FIRST QUARTER OF 1989 WERE: TOBACCO (+68.3 PER CENT); CHEMICALS AND CHEMICAL PRODUCTS (+20.9 PER CENT); PRODUCTS OF PETROLEUM AND COAL (+18.0 PER CENT); RUBBER PRODUCTS (+16.3 PER CENT); AND FOOD (+13.8 PER CENT).

THURSDAY, MAY 31, 1990

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ON THE OTHER HAND, SEVERAL INDUSTRIES RECORDED DECREASES IN THE VALUE OF DOMESTIC EXPORTS IN THE FIRST QUARTER OF 1990 AS COMPARED WITH THE SAME QUARTER OF 1989.

AMONG THEM WERE: ELECTRICAL AND ELECTRONIC PRODUCTS (-\$981 MILLION OR -8.3 PER CENT); BASIC METALS AND FABRICATED METAL PRODUCTS (-\$416 MILLION OR -17.1 PER CENT); PLASTIC PRODUCTS (-\$269 MILLION OR -11.8 PER CENT); MACHINERY, EXCEPT ELECTRICAL (-\$219 MILLION OR -12.2 PER CENT); AND PROFESSIONAL AND OPTICAL EQUIPMENT (-\$110 MILLION OR -2.4 PER CENT).

OUTSIDE THE MANUFACTURING INDUSTRY, DOMESTIC EXPORTS ORIGINATING FROM OCEAN AND COASTAL FISHING DECREASED BY \$60 MILLION OR 31.1 PER CENT AS COMPARED WITH THE FIRST QUARTER OF 1989, WHILE DOMESTIC EXPORTS OF ELECTRICITY DECREASED BY \$27 MILLION OR 17.5 PER CENT.

THE ABOVE STATISTICS ON DOMESTIC EXPORTS ANALYSED BY INDUSTRIAL ORIGIN ARE DERIVED BY RE-GROUPING ALL SIX-DIGIT MERCHANDISE EXPORT ITEMS UNDER THE EXTERNAL TRADE CLASSIFICATION SYSTEM ACCORDING TO THE INDUSTRIES IN WHICH THESE MERCHANDISE ITEMS ARE NORMALLY PRODUCED. TRANSACTIONS IN GOLD AND SPECIE ARE EXCLUDED.

THE CLASSIFICATION OF MERCHANDISE EXPORT ITEMS BY INDUSTRIAL ORIGIN IS STRUCTURED UPON THE UNITED NATIONS INTERNATIONAL STANDARD INDUSTRIAL CLASSIFICATION OF ALL ECONOMIC ACTIVITIES (I.S.I.C.), AS DISTINCT FROM THE UNITED NATIONS STANDARD INTERNATIONAL TRADE CLASSIFICATION (S.I.T.C.) WHICH IS ADOPTED IN THE REGULAR TRADE STATISTICS REPORTS.

CAUTION SHOULD BE TAKEN WHEN REFERRING TO THESE RE-CLASSIFIED STATISTICS. CERTAIN MERCHANDISE EXPORT ITEMS MAY REQUIRE SEVERAL INTERMEDIATE PROCESSING STAGES IN THEIR PRODUCTION.

IN SUCH CASES, THE INDUSTRY IN WHICH AN ITEM IS FINALLY PRODUCED IS NOT THE SOLE CONTRIBUTOR TO THE EXPORT VALUE OF THAT ITEM. HOWEVER, THE TOTAL VALUE OF THE ITEM HAS WHOLLY BEEN ALLOCATED TO THAT INDUSTRY IN THIS RE-CLASSIFICATION.

BESIDES, THE CLASSIFICATION OF A MERCHANDISE EXPORT ITEM TO A PARTICULAR INDUSTRY DOES NOT IMPLY THAT THE ENTIRE EXPORT VALUE OF THE ITEM IS ATTRIBUTABLE TO THE ESTABLISHMENTS OF THAT INDUSTRY, SINCE PART OF THE VALUE MAY BE DUE TO PRODUCTION BY ESTABLISHMENTS CLASSIFIED UNDER OTHER INDUSTRIES AS SECONDARY PRODUCTS.

FURTHER DETAILS OF MERCHANDISE DOMESTIC EXPORTS STATISTICS RE-CLASSIFIED BY INDUSTRIAL ORIGIN MAY BE FOUND IN THE ATTACHED TABLE WHICH IS OBTAINABLE FROM THE INDUSTRIAL RESEARCH SECTION OF THE CENSUS AND STATISTICS DEPARTMENT (ON TEL. 823 4832).

A TABLE SHOWING MORE DETAILED BREAKDOWNS OF SIMILAR STATISTICS FOR SELECTED MANUFACTURING INDUSTRIES IS ALSO INCLUDED IN THE REPORT "HONG KONG EXTERNAL TRADE, MARCH 1990".

/VALUE OF .....

Value of merchandise domestic exports  
reclassified by industrial origin for the first quarter of 1990

(HKS'000)

Industrial origin of the commodities exported	Merchandise domestic exports			
	1990 1st qtr.	1989 1st qtr.	Value change	% change
<u>Agricultural, Forestry and Fishing</u>				
Agricultural, livestock and poultry production	2,359	1,443	+915	+63.4
Ocean and coastal fishing	134,031	194,480	-60,449	-31.1
<u>Mining and Quarrying</u>	2,887	1,496	+1,391	+93.0
<u>Manufacturing</u>				
Food	421,359	370,186	+51,174	+13.8
Beverages	70,720	83,163	-12,443	-15.0
Tobacco	708,428	420,905	+287,523	+68.3
Textiles (including knitting)	8,302,691	8,093,698	+208,993	+2.6
Wearing apparel, except footwear and knitwear	9,570,959	9,656,339	-85,380	-0.9
Leather and leather products	211,146	193,742	+17,404	+9.0
Footwear	199,860	257,749	-57,889	-22.5
Wood and cork products, furniture and fixtures	141,683	181,460	-39,777	-21.9
Paper and paper products, printing and publishing	1,227,970	1,128,897	+99,073	+8.8
Chemicals and chemical products	1,197,440	990,143	+207,298	+20.9
Products of petroleum and coal	1,321	1,119	+201	+18.0
Rubber products	41,918	36,057	+5,861	+16.3
Plastic products	2,006,263	2,275,464	-269,201	-11.8
Non-metallic mineral products	107,208	179,370	-72,162	-40.2
Basic metals and fabricated metal products	2,023,547	2,439,776	-416,229	-17.1
Machinery, except electrical	1,573,625	1,792,849	-219,223	-12.2
Electrical and electronic products	10,848,385	11,829,263	-980,878	-8.3
Transport equipment	41,666	41,127	+539	+1.3
Professional and optical equipment	4,407,296	4,517,119	-109,823	-2.4
Other manufacturing industries	3,059,379	3,054,410	+4,970	+0.2
<u>Electricity</u>	128,964	156,320	-27,356	-17.5
<u>Miscellaneous items</u> (e.g. developed photographic plates and film, antiques, and works of art)	29,015	30,660	-1,645	-5.4
<b>Total</b>	<b>46,460,121</b>	<b>47,927,235</b>	<b>-1,467,114</b>	<b>-3.1</b>

Individual entries of a column may not add up exactly to the corresponding total due to rounding. All percentage changes are calculated based on unrounded figures.

Industrial Research Section, (Tel. : 823 4832)  
Census & Statistics Department,  
Hong Kong.  
May 1990

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CONTRACT AWARDED FOR BUILDING TWO LAUNCHES  
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THE MARINE DEPARTMENT TODAY (THURSDAY) AWARDED A \$4.25 MILLION CONTRACT TO CHEOY LEE SHIPYARDS LIMITED FOR THE CONSTRUCTION OF TWO LAUNCHES.

THE LAUNCHES, TO BE DELIVERED IN APRIL AND MAY NEXT YEAR, WILL BE 13.7 METRES IN LENGTH WITH A SPEED OF 16 KNOTS.

THEY WILL BE USED FOR THE CONTROL OF SHIPPING MOVEMENT AND ACTIVITIES IN THE PORT, AND TO ENSURE THAT LOCAL LEGISLATION AND INTERNATIONAL MARITIME REGULATIONS AND CONVENTIONS ARE COMPLIED WITH, AND THAT SAFETY STANDARDS ARE MAINTAINED BY THE PORT USERS.

CHEOY LEE CONSTRUCTED TWO SIMILIAR VESSELS FOR THE MARINE DEPARTMENT IN 1988.

THE CONTRACT WAS SIGNED BY THE ASSISTANT DIRECTOR OF MARINE (GOVERNMENT FLEET), MR PETER CRISP, AND DIRECTORS OF CHEOY LEE, MR KEN LO AND MR FRANK LO.

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SCRAP MERCHANT FINED FOR USING INACCURATE WEIGHING EQUIPMENT  
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MERCHANTS USING WEIGHING OR MEASURING EQUIPMENT HAVE BEEN WARNED BY THE CUSTOMS AND EXCISE DEPARTMENT TO CHECK THEIR EQUIPMENT REGULARLY.

THE WARNING CAME TODAY (THURSDAY) AFTER A METAL AND PAPER SCRAP DEALER WAS FINED \$3,000 AT SOUTH KOWLOON MAGISTRACY AFTER PLEADING GUILTY TO USING INACCURATE WEIGHING MACHINERY.

IT WAS THE FIRST PROSECUTION TO BE BROUGHT BY THE CUSTOMS AND EXCISE DEPARTMENT AGAINST A NON-FOOD BUSINESS SINCE THE WEIGHTS AND MEASURES ORDINANCE CAME INTO EFFECT 17 MONTHS AGO.

ACCORDING TO FIGURES RELEASED BY THE DEPARTMENT, 20 OF THE 149 COMPLAINTS RECEIVED SO FAR UNDER THE ORDINANCE WERE LODGED AGAINST NON-FOOD BUSINESSES.

OF THESE, 11 WERE LODGED AGAINST PETROL STATIONS, WHILE THE OTHERS INVOLVED LAUNDRIES, A LIQUEFIED CHLORINE DISTRIBUTOR AND SCRAP DEALERS.

THE COURT HEARD THAT THE DEFENDANT, TSANG KWONG-TING, TRADED ON THE GROUND FLOOR OF 7-11 SHANGHAI STREET, KOWLOON.

ACTING ON A COMPLAINT, CUSTOMS OFFICERS AND TWO GOVERNMENT CHEMISTS VISITED THE DEFENDANT'S SHOP ON DECEMBER 14 LAST YEAR.

/A PRELIMINARY .....

A PRELIMINARY CHECK OF THREE PLATFORM WEIGHING MACHINES REVEALED THAT THEY WERE INACCURATE.

AN EXAMINATION LATER BY THE GOVERNMENT LABORATORY SHOWED THAT THE WEIGHTS INDICATED WERE 18.99 TO 27.85 PER CENT LESS THAN THE ACTUAL WEIGHT.

A SPOKESMAN FOR THE DEPARTMENT SAID ANY PERSON WISHING TO MAKE A COMPLAINT ABOUT MALPRACTICES IN RESPECT OF WEIGHTS AND MEASURES SHOULD CONTACT EITHER THE TRADING STANDARDS INVESTIGATION BUREAU OF THE CUSTOMS AND EXCISE DEPARTMENT (TEL. 714 6146) OR THE CONSUMER COUNCIL.

HE SAID COMPLAINTS COULD ALSO BE MADE BY TELEPHONE TO DUTY OFFICERS OF THE CUSTOMS AND EXCISE DEPARTMENT ON 852 3185 AFTER NORMAL OFFICE HOURS.

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PRACTICAL EDUCATION CENTRE HELPS SCHOOLS RUN TECHNICAL COURSES

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SCHOOLS WITHOUT SPECIAL ROOMS AND FACILITIES CAN SEND THEIR STUDENTS TO THE PRACTICAL EDUCATION CENTRE OF THE EDUCATION DEPARTMENT FOR PRACTICAL AND TECHNICAL COURSES.

MEMBERS OF THE BOARD OF EDUCATION WERE TOLD THIS WHEN THEY VISITED THE CENTRE IN JUNCTION ROAD, LOK FU, THIS (THURSDAY) MORNING.

THE VISITORS WERE TOLD THE CENTRE IS RUNNING 265 COURSES FOR MORE THAN 7,000 STUDENTS FROM 17 SCHOOLS.

"STAFF AT THE CENTRE ALSO TAKE THIS OPPORTUNITY TO GIVE TALKS ON CIVIC EDUCATION," A SPOKESMAN FOR THE EDUCATION DEPARTMENT SAID.

SUBJECTS TAUGHT COMPRISE ART AND DESIGN (SECONDARY 1), DESIGN AND TECHNOLOGY (SECONDARY 2), AND HOME ECONOMICS (SECONDARY 3).

THE SPOKESMAN SAID DESPITE THE LARGE NUMBER OF STUDENTS AND THEIR FREQUENT MOVEMENT IN AND OUT OF THE CENTRE, THE TEACHERS HAVE SUCCEEDED IN PROVIDING AN ALL-ROUND EDUCATION.

"GUIDANCE AND COUNSELLING SERVICES ARE OFFERED AS IN OTHER ORDINARY SCHOOLS AND EXTRA-CURRICULAR ACTIVITIES SUCH AS SITE VISITS AND EXHIBITIONS ARE ALSO ORGANISED," THE SPOKESMAN SAID.

MEMBERS OF THE BOARD OF EDUCATION WHO VISITED THE CENTRE, ACCOMPANIED BY THE ASSISTANT DIRECTOR OF EDUCATION (SCHOOLS), MR S.T. KWAN, WERE MRS MINNIE LAI AND MR SAMUEL WONG.

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POK OI PRAISED FOR COMMUNITY SERVICES

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THE REGIONAL SECRETARY FOR THE NEW TERRITORIES, MR ADOLF HSU, TODAY (THURSDAY) PRAISED THE POK OI HOSPITAL FOR ITS MULTI-FACETED SERVICES TO THE COMMUNITY.

IN A MEETING WITH DIRECTORS OF THE HOSPITAL DURING THEIR COURTESY CALL ON THE CNTA THIS AFTERNOON, MR HSU SAID THESE SERVICES CATERED WELL FOR COMMUNITY NEEDS.

THE CHAIRMAN OF THE HOSPITAL'S BOARD OF DIRECTORS, MR TANG YING-YIP, OUTLINED THE BOARD'S WORK THIS YEAR.

ON THE HOSPITAL'S WELFARE PROJECTS IN THE CURRENT FINANCIAL YEAR, THE REGIONAL SECRETARY SAID THEY WOULD BE FULLY SUPPORTED BY THE CNTA.

THE PROJECTS INCLUDED AN EXPANSION PROGRAMME FOR QUARTERS FOR DOCTORS AND NURSES, REDEVELOPMENT OF THE HOSPITAL'S SOUTH WING BLOCK AND THE CONSTRUCTION OF A RECREATION CENTRE FOR THE ELDERLY, A CARE AND ATTENTION HOME, A KINDERGARTEN, A SECONDARY SCHOOL AND A FUNERAL SERVICE PARLOUR, MR HSU NOTED.

"THESE WILL PROVIDE VALUABLE SERVICES TO RESIDENTS IN YUEN LONG, TUEN MUN, SHA TIN AND TIN SHUI WAI," HE SAID.

MR HSU ALSO PRAISED THE DIRECTORS' FUND-RAISING EFFORTS, NOTING THAT THESE HAD CONTRIBUTED MUCH TO THE HOSPITAL'S FAST DEVELOPMENT.

LAST YEAR, A TOTAL OF \$12 MILLION WAS RAISED THROUGH VARIOUS FUND-RAISING DRIVES.

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GRADING OF BEACH WATER QUALITY

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THE ENVIRONMENTAL PROTECTION DEPARTMENT (EPD) TODAY (THURSDAY) ANNOUNCED GRADES ON THE BACTERIAL WATER QUALITY OF ALL BATHING BEACHES IN HONG KONG.

THE PURPOSE OF THE GRADING SYSTEM IS TO INFORM SWIMMERS AND THE GENERAL PUBLIC ABOUT THE STATE OF BACTERIAL POLLUTION AT VARIOUS BEACHES.

THE GRADING IS BEING ANNOUNCED AT BIWEEKLY INTERVALS DURING THE BATHING SEASON, TO COINCIDE WITH THE FREQUENCY AT WHICH BEACH WATERS ARE USUALLY SAMPLED.

THE GRADING IS BASED ON THE MOST RECENT E. COLI DATA OBTAINED BY THE EPD IN ITS ROUTINE MONITORING PROGRAMME.

/AS WITH .....

AS WITH LAST YEAR, THE GRADING ALSO INCLUDES AN ESTIMATE OF THE RISK OF SUFFERING SOME MINOR SKIN OR GASTROINTESTINAL COMPLAINTS AS A RESULT OF SWIMMING AT A BEACH WHICH HAS SOME DEGREE OF POLLUTION. THE ESTIMATE IS BASED ON A VERY LARGE BODY OF STATISTICAL INFORMATION GATHERED IN HONG KONG IN RECENT BATHING SEASONS.

THE GRADING OF SOME BEACHES MAY VARY DURING THE SUMMER. THIS REPRESENTS A NATURAL FLUCTUATION IN THE BACTERIAL QUALITY OF BATHING WATERS IN MOST CASES, AS RAIN AND TIDES BRING MORE OR LESS POLLUTION TO THE BEACHES.

HOWEVER, THE GRADES GIVE A GOOD GENERAL PICTURE OF THE WATER QUALITY AT BATHING BEACHES AT THE TIME OF REPORTING AND FORM THE BEST AVAILABLE FORECAST FOR THE IMMEDIATE FUTURE.

THE SYSTEM FOR GRADING BEACH WATER QUALITY IS AS FOLLOWS:

GRADE "1" INDICATES THAT THE WATER QUALITY IS GOOD. THE E. COLI COUNT IS NO MORE THAN 24 PER 100 MILLILITRES AT EACH BEACH SO GRADED, AND THE EXPECTED RISK OF MINOR ILLNESS TO SWIMMERS IS UNDETECTABLE.

GRADE "2" INDICATES THAT THE WATER QUALITY IS FAIR. THE E. COLI COUNT IS NO MORE THAN 180 PER 100 MILLILITRES AT EACH BEACH SO GRADED, AND THE EXPECTED HEALTH RISK IS NO MORE THAN 10 CASES OF MINOR ILLNESS PER 1,000 SWIMMERS.

GRADE "3" INDICATES THAT THE WATER QUALITY IS ACCEPTABLE. THE E. COLI COUNT IS NO MORE THAN 610 PER 100 MILLILITRES AT EACH BEACH SO GRADED, AND THE EXPECTED HEALTH RISK IS NO MORE THAN 15 CASES OF MINOR ILLNESS PER 1,000 SWIMMERS.

GRADE "4" INDICATES THAT THE WATER QUALITY IS POOR. THE E. COLI COUNT IS MORE THAN 610 PER 100 MILLILITRES AT EACH BEACH SO GRADED, AND THE EXPECTED HEALTH RISK IS MORE THAN 15 CASES OF MINOR ILLNESS PER 1,000 SWIMMERS.

THE DECISION WHETHER OR NOT TO CLOSE A BEACH TO SWIMMERS IS BASED ON A JUDGEMENT OF WHAT DEGREE OF POLLUTION IS ACCEPTABLE.

NORMALLY, THE CLOSURE OF A BEACH WOULD ONLY BE CONSIDERED BY THE URBAN OR REGIONAL COUNCIL IF A "4" GRADING OCCURRED REPEATEDLY, SO THAT THE AVERAGE HEALTH RISK OVER THE BATHING SEASON EXCEEDED 15 CASES PER 1,000 SWIMMERS. SIMILARLY, THE REOPENING OF A CLOSED BEACH WOULD ONLY BE CONSIDERED IF A "3" GRADE OR BETTER WERE CONSISTENTLY OBTAINED.

AT PRESENT, TWO BATHING BEACHES, NAMELY CASTLE PEAK AND OLD CAFETERIA, HAVE BEEN DECLARED UNSUITABLE FOR SWIMMING PURPOSES, BASED ON THE WATER QUALITY DURING PAST SEASONS.

THEY ARE POLLUTED BY FAECAL WASTES AND FAIL TO ACHIEVE CONSISTENTLY THE HONG KONG STANDARDS. THE PUBLIC ARE ADVISED NOT TO SWIM IN THE WATER AT THESE TWO BEACHES.

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IN ADDITION, ROCKY BAY BEACH HAS BEEN CLOSED FOR SWIMMING PURPOSES BY THE URBAN COUNCIL. THESE THREE BEACHES ARE IDENTIFIED BY AN "X" IN THE FOLLOWING LIST.

THE GRADES ON THE BACTERIAL WATER QUALITY OF VARIOUS BEACHES IN HONG KONG AS AT TODAY ARE LISTED BELOW:

BEACH -----	LAST GRADING ----- (AS AT 17.5.90)	PRESENT GRADING ----- (AS AT 31.5.90)
HONG KONG SOUTH -----		
BIG WAVE BAY	4	3
CHUNG HOM KOK	2	2
DEEP WATER BAY	1	1
HAIRPIN	2	3
MIDDLE BAY	1	1
REPULSE BAY	1	1
SHEK O	3	3
SOUTH BAY	1	1
ST STEPHEN'S	1	2
TURTLE COVE	2	2
STANLEY MAIN	2	2
ROCKY BAY	X	X
TO TEI WAN*	1	1
TUEN MUN DISTRICT -----		
OLD CAFETERIA	X	X
NEW CAFETERIA	2	2
CASTLE PEAK	X	X
KADOORIE	2	2
BUTTERFLY	2	2

/ISLANDS DISTRICT .....

## ISLANDS DISTRICT

CHEUNG SHA UPPER	1	1
CHEUNG SHA LOWER	2	2
DISCOVERY BAY*	2	2
HUNG SHING YEH	1	1
KWUN YAM WAN	1	1
TONG FUK	1	1
LO SO SHING	1	1
PUI O	2	2
SILVERMINE BAY	4	4
TUNG WAN, CHEUNG CHAU	2	1
TUNG O*	2	2

## SAI KUNG DISTRICT

CAMPERS	1	2
CLEAR WATER BAY 1ST BEACH	1	1
CLEAR WATER BAY 2ND BEACH	1	1
HAP MUN BAY	1	1
KIU TSUI	1	1
PAK SHA CHAU	1	1
SILVERSTRAND	3	2
TRIO (HEBE HAVEN)	2	3

## TSUEN WAN DISTRICT

ANGLERS'	2	2
APPROACH	2	2
CASAM	2	2
GEMINI	2	2
HOI MEI WAN	2	2

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LIDO	2	2
TING KAU	3	3
TUNG WAN, MA WAN	2	1

NOTE: "X" THE BEACH HAS BEEN CLOSED FOR SWIMMING PURPOSES.  
\* NON-GAZETTED BEACHES.

THE FOLLOWING BEACHES HAVE CHANGED GRADING ON THIS OCCASION:

TUNG WAN ON CHEUNG CHAU AND TUNG WAN ON MA WAN, FROM "2" TO "1"; SILVERSTRAND, FROM "3" TO "2"; ST STEPHEN'S AND CAMPERS, FROM "1" TO "2"; HAIRPIN AND TRIO IN HEBE HAVEN, FROM "2" TO "3".

THE CHANGES ARE WITHIN THE NORMAL RANGE OF FLUCTUATION OF THE BACTERIAL WATER QUALITY OF THESE BEACHES.

BIG WAVE BAY, FROM "4" TO "3".

BIG WAVE BAY BEACH IS UPGRADED ON THIS OCCASION. THE PREVIOUS GRADE WAS DUE TO THE RECENT HEAVY RAINFALL WHICH HAD CAUSED THE POLLUTANTS IN THE BEACH HINTERLAND TO BE FLUSHED INTO THE SEAWATER. SAMPLES TAKEN RECENTLY AT THE BEACH INDICATE THE WATER QUALITY HAS RETURNED TO ITS USUAL CONDITION OF "FAIR" TO "ACCEPTABLE".

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REMINDER ON CHANGE IN PASSPORT FORMAT

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THE FORMAT OF THE HKB DTC AND BN(O) PASSPORTS WILL BE CHANGED TOMORROW (FRIDAY) WHEN PASSPORTS IN THE EUROPEAN COMMUNITY COMMON FORMAT WILL BEGIN TO BE ISSUED.

IN ISSUING A REMINDER ON THIS TODAY (THURSDAY), A SPOKESMAN FOR THE IMMIGRATION DEPARTMENT SAID THAT FROM TOMORROW, MEMBERS OF THE PUBLIC APPLYING FOR PASSPORTS WILL GET THE NEW FORMAT DOCUMENT WHICH IS MACHINE READABLE.

THE NEW PASSPORT CONTAINS 32 PAGES. IT HAS A BURGUNDY SOFT COVER AND IS SLIGHTLY SMALLER THAN THE CURRENT BLUE HARD-COVER PASSPORT.

THE SPOKESMAN EXPLAINED THAT THE MACHINE READABLE PASSPORT HAS THE ADVANTAGE OF HAVING ALL THE PERSONAL PARTICULARS OF THE HOLDER ON ONE PAGE INSTEAD OF SEVERAL PAGES AS THE CURRENT PASSPORT. THIS WILL REDUCE CONSIDERABLY THE TIME TAKEN FOR VISUAL INSPECTION.

THE MACHINE READABLE FEATURES WILL FURTHER EXPEDITE CLEARANCE AT THE IMMIGRATION CHECK POINTS OVERSEAS WHERE PASSPORT READERS ARE IN OPERATION.

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"ONLY THE PASSPORT FORMAT WILL CHANGE. THE HOLDER'S RIGHTS AND PRIVILEGES WILL REMAIN UNCHANGED," THE SPOKESMAN EMPHASISED.

THE PRESENT HARD-COVER 94-PAGE "JUMBO" PASSPORTS WILL CONTINUE TO BE AVAILABLE TO THE PUBLIC. IT WILL BE REPLACED IN DUE COURSE BY A "JUMBO" VERSION OF THE COMMON FORMAT PASSPORT WHICH WILL HAVE 48 PAGES.

THE PLAN IS THAT HONG KONG WILL ISSUE THE "JUMBO" COMMON FORMAT PASSPORT AFTER IT IS INTRODUCED IN THE UK, TENTATIVELY SCHEDULED FOR DECEMBER THIS YEAR.

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EASTERN DISTRICT SEMINAR ON COMMUNITY ACTIVITIES

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THE EASTERN DISTRICT BOARD WILL ORGANISE A SEMINAR ON SATURDAY (JUNE 2) TO EXPLORE THE PROBLEMS BEING FACED BY VOLUNTARY AGENCIES AND RESIDENTS' BODIES IN ORGANISING COMMUNITY INVOLVEMENT ACTIVITIES.

THE SEMINAR IS THE FOLLOW-UP TO A SURVEY CONDUCTED BY THE DISTRICT BOARD'S COMMUNITY BUILDING COMMITTEE LAST YEAR ON COMMUNITY ACTIVITIES ORGANISED BY OVER 100 DISTRICT BODIES.

THE SURVEY FINDINGS INDICATED THAT THE FOUR MAJOR DIFFICULTIES ENCOUNTERED BY COMMUNITY GROUPS WERE SHORTAGE OF MANPOWER, INSUFFICIENT FUNDS, LACK OF SUITABLE VENUES AND INADEQUATE FACILITIES.

SPEAKING AT THE SEMINAR WILL BE THE EXECUTIVE SECRETARY OF THE HONG KONG FEDERATION OF YOUTH GROUPS, MR TSANG SHU-MING, CHAIRMAN OF THE COMMUNITY BUILDING COMMITTEE, MR SUNNY WU, AND DISTRICT BOARD MEMBERS MR LAM TAK-ON AND MR TO BOON-MAN.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE SEMINAR ON COMMUNITY INVOLVEMENT ACTIVITIES TO BE HELD ON SATURDAY (JUNE 2), FROM 2.30 PM TO 4.30 PM IN THE EASTERN DISTRICT OFFICE CONFERENCE ROOM, FIRST FLOOR, 880-886 KING'S ROAD.

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DB COMMITTEE TO DISCUSS PHA REPORT

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THE SECRETARY GENERAL OF THE PROVISIONAL HOSPITAL AUTHORITY, MR JOHN CHAMBERS, WILL ATTEND THE KWUN TONG DISTRICT BOARD'S SOCIAL SERVICES COMMITTEE MEETING TOMORROW (FRIDAY) TO BRIEF MEMBERS ON THE REPORT OF THE PROVISIONAL HOSPITAL AUTHORITY.

ALSO PRESENT WILL BE LEGISLATIVE COUNCILLOR DR LEONG CHE-HUNG AND A PRINCIPAL ASSISTANT SECRETARY FOR HEALTH AND WELFARE, MR GREGORY LEUNG.

MEMBERS WILL ALSO DISCUSS A REPORT BY THE DEPARTMENT OF HEALTH ON THE DEVELOPMENT AND PROVISION OF SERVICES IN THE DISTRICT.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE KWUN TONG DISTRICT BOARD'S SOCIAL SERVICES COMMITTEE MEETING WHICH WILL BEGIN AT 2.30 PM TOMORROW (FRIDAY) IN THE DISTRICT OFFICE CONFERENCE ROOM, 6 TUNG YAN STREET.

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FOUR GOVT LOTS TO LET BY TENDER

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TENDERS ARE BEING INVITED BY THE BUILDINGS AND LANDS DEPARTMENT FOR THE SHORT TERM TENANCY OF FOUR LAND LOTS FOR OPEN STORAGE PURPOSES.

THE FIRST LOT IS LOCATED AT FUNG SHING STREET, NGAU CHI WAN, KOWLOON. IT COVERS AN AREA OF ABOUT 2,730 SQUARE METRES AND IS FOR OPEN STORAGE, EXCLUDING CONTAINERS.

THE TENANCY IS ONE YEAR, RENEWABLE QUARTERLY AFTERWARDS.

THE OTHER THREE LOTS ARE IN THE NEW TERRITORIES.

THE FIRST ONE IS A 6,550-SQUARE-METRE LOT LOCATED IN AREA 45C, TUEN MUN NEW TOWN. IT IS ALSO FOR OPEN STORAGE, EXCLUDING CONTAINERS.

THE TENANCY IS TWO YEARS, RENEWABLE QUARTERLY AFTERWARDS.

THE REMAINING TWO LOTS ARE LOCATED IN ON LOK TSUEN, FANLING, WITH TENANCY FOR THREE YEARS, RENEWABLE QUARTERLY AFTERWARDS.

ONE IS A 490-SQUARE-METRE SITE AT KUI SIK STREET WHILE THE OTHER LOT IS AT ON LOK MUN STREET WITH AN AREA OF ABOUT 525 SQUARE METRES.

/BOTH LOTS .....

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BOTH LOTS ARE FOR OPEN STORAGE OF GOODS AND VEHICLES BELONGING TO THE TENANT, INCLUDING CONSTRUCTION PLANT AND EQUIPMENT.

THE DEADLINE FOR SUBMITTING TENDERS FOR THE FOUR LOTS IS NOON ON JUNE 15 THIS YEAR.

FORMS OF TENDER, TENDER NOTICE AND CONDITIONS MAY BE OBTAINED FROM, AND TENDER PLANS INSPECTED AT THE NORTH DISTRICT LANDS OFFICE, PIK FUNG ROAD, FANLING; THE BUILDINGS AND LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG; AND THE DISTRICT LANDS OFFICES KOWLOON, 10TH FLOOR, YAU MA TEI CARPARK BUILDING, 250 SHANGHAI STREET, KOWLOON.

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NEW SALT WATER PUMPING STATION FOR HO MAN TIN  
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THE WATER SUPPLIES DEPARTMENT IS INVITING TENDERS FOR THE CONSTRUCTION OF A SALT WATER PUMPING STATION AT KING'S PARK RISE, HO MAN TIN.

THE PROJECT WILL INCLUDE THE CONSTRUCTION OF A SINGLE-STOREY SALT WATER PUMPING STATION, INLET AND OUTLET WATER MAINS, ASSOCIATED SLOPE WORKS AND RETAINING WALLS.

THE PUMPING STATION WILL REPLACE THE EXISTING QUEEN ELIZABETH HOSPITAL PUMPING STATION WHICH WILL CEASE OPERATION.

THE NEW STATION WILL IMPROVE THE FLUSHING WATER SUPPLY TO HO MAN TIN HIGH LEVEL AREAS.

IT WILL HAVE A PUMPING CAPACITY OF 9,200 CUBIC METRES PER DAY.

WORK IS EXPECTED TO START IN AUGUST THIS YEAR AND WILL TAKE ABOUT A YEAR TO COMPLETE.

THE DEADLINE FOR SUBMISSION OF TENDERS IS NOON ON JUNE 15.

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URBAN CLEARWAY IN MONG KOK

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THE TRANSPORT DEPARTMENT ANNOUNCES THAT FROM 10 AM ON SATURDAY (JUNE 2), THE EXISTING 7 AM TO 7 PM DAILY URBAN CLEARWAY ON THE NORTHBOUND CARRIAGEWAY OF WATERLOO ROAD BETWEEN ARGYLE STREET AND PRINCE EDWARD ROAD WEST WILL BE CONVERTED TO A URBAN CLEARWAY FROM 7 AM TO 10 AM AND FROM 4 PM TO 7 PM DAILY.

NO VEHICLES EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS THERE.

CONCURRENTLY, MOTORISTS ARE ADVISED TO OBSERVE THE EXISTING 24-HOUR DAILY URBAN CLEARWAY ON PRINCESS MARGARET ROAD AND THE 7 AM TO 7 PM DAILY URBAN CLEARWAY ON THE SOUTHBOUND CARRIAGEWAY OF WATERLOO ROAD BETWEEN ARGYLE STREET AND A POINT ABOUT 110 METRES SOUTH OF ITS JUNCTION WITH ARGYLE STREET.

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TEMPORARY DIVERSION OF KMB ROUTE 5A

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THE TRANSPORT DEPARTMENT ANNOUNCES THAT ON SATURDAY (JUNE 2) AND SUNDAY (JUNE 3), IN ORDER TO FACILITATE THE HONG KONG DRAGON BOAT FESTIVAL - INTERNATIONAL RACES 1990 TO BE HELD AT THE TSIM SHA TSUI PROMENADE, BUSES ON KMB ROUTE 5A (KOWLOON CITY (SHING TAK STREET) TO STAR FERRY) WILL BE DIVERTED TO OPERATE VIA CHATHAM ROAD NORTH, CHATHAM ROAD SOUTH AND SALISBURY ROAD TO STAR FERRY.

DURING THE PERIOD OF ROUTE DIVERSION, BUS STOPS FOR KMB ROUTE 5A WILL BE DESIGNATED ON CHATHAM ROAD SOUTH NEAR ITS JUNCTIONS WITH CHEONG WAN ROAD, GRANVILLE ROAD AND MODY ROAD.

THE EXISTING BUS STOPS ON SALISBURY ROAD SOUTHBOUND BETWEEN KCR KOWLOON STATION AND CHATHAM ROAD SOUTH SERVING ROUTE 5A WILL BE SUSPENDED.

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TEMPORARY PARTIAL LANE CLOSURE IN TAI PO

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THE TRANSPORT DEPARTMENT ANNOUNCES THAT IN ORDER TO FACILITATE ROAD MAINTENANCE WORKS, A SECTION OF ABOUT 1.5 KILOMETRES OF THE SLOW LANE OF TOLO HIGHWAY NORTHBOUND BETWEEN PAK SHEK BRIDGE AND THE ISLAND HOUSE INTERCHANGE WILL BE CLOSED TO TRAFFIC TOMORROW (FRIDAY).

ALSO, ON SATURDAY (JUNE 2), A SECTION OF ABOUT 1.4 KILOMETRES OF THE SLOW LANE OF TOLO HIGHWAY SOUTHBOUND, NEAR THE ISLAND HOUSE INTERCHANGE, WILL BE CLOSED TO TRAFFIC.

MOTORISTS ARE URGED TO DRIVE WITH CARE AND PATIENCE. APPROPRIATE TRAFFIC AIDS WILL BE PROVIDED TO GUIDE MOTORISTS.

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