



# DAILY INFORMATION BULLETIN

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FS on mandatory provident fund

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The main features of the mandatory, privately managed provident funds system (MPF) are reasonable and should meet the main concerns and needs of both employers and employees, the Financial Secretary, Sir Hamish Macleod, said this (Thursday) evening.

Speaking at the Annual Dinner of the Financial Executives' Institute, Sir Hamish said the aim was "to provide the people of Hong Kong with a retirement protection system that will allow those who are in the workforce today to know that at the end of their working lives they should be able to retire in dignity and financial security".

Sir Hamish said the Government's aim was to enact the MPF primary legislation before the end of the legislative session in July.

"Such speed is only possible because we are adopting the approach that the primary legislation which we are now drafting should be confined to the essential elements of the system, with the details being provided for in the subsidiary legislation," he said.

Sir Hamish said there would be a reasonable opportunity for fine-tuning the details in the two year period that would be required for preparation of the necessary regulations and rules, so the MPF System might be brought into operation in 1997.

"Early implementation of the primary legislation will also enable the insurance and fund management industries to develop the necessary schemes for employees under the MPF System, and will allow employers time to find suitable schemes for their employees," he said.

Sir Hamish said an MPF Authority had been proposed to oversee the MPF System on a day to day basis.

"The functions of the Authority would include the administration and regulation of the MPF System, the authorisation and regulation of trustees, and the making of rules and guidelines to facilitate the smooth and safe running of the MPF System and its component schemes."

Sir Hamish said the consultants engaged to consider the detailed aspects of setting up and operating an MPF system estimated that the MPF Authority would require setting-up costs of \$350 million and an annually recurrent cost of \$270 million for its ongoing activities.

"In addition, in the first few years, in order to enhance inspection to ensure compliance with the system, to deal with existing ORSO (Occupational Retirement Schemes Ordinance) schemes and to educate the public, the consultants estimate that further expenses of \$1 billion will be incurred.

"To demonstrate Government's financial commitment to implementing the MPF system, we consider it appropriate to contribute to the above expenses through a lump sum capital grant of about \$5 billion to the Authority, subject, of course, to Finance Committee's approval.

"This together with the interest generated from it and income from modest fees and charges on scheme providers should provide adequate resources for the Authority to operate as a self-standing agency," he said.

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#### Proposals to reform bankruptcy law

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The Law Reform Commission today (Thursday) published a report containing its recommendations for an overhaul of the Bankruptcy Ordinance.

The Chairman of the Commission's Sub-committee on Insolvency, Professor Edward Tyler, said the report, containing 116 recommendations for change, covered the major provisions of the Bankruptcy Ordinance and took account of submissions made by the public in response to a consultative document which was issued in July 1993.

Outlining the background of the report, Professor Tyler said there had been concerns expressed by the Official Receiver and practitioners that the provisions of the Bankruptcy Ordinance, which dated from 1914, were both out of date in so far as the requirements of practitioners were concerned and out of touch with the needs of modern society.

He said changes in the law of bankruptcy and the different attitude towards bankruptcy, with greater emphasis on rehabilitation rather than punishment, were introduced in the United Kingdom and Australia in recent years. This made it opportune for bankruptcy law to be reconsidered in Hong Kong.

Professor Tyler said: "The recommendations made in the report were based mainly on provisions of the UK Insolvency Act 1986 and the Australian Bankruptcy Act 1966. We have sought to adapt the changes made to bankruptcy law in other jurisdictions to the best advantage of Hong Kong."

The major recommendations of the Commission are:

- \* Receiving and adjudication orders should be abolished in favour of a single bankruptcy order which could be based on a demand not supported by a judgment of the court, as is required at present. This would considerably reduce the time and expense of taking bankruptcy proceedings;
- \* A new procedure should be introduced to make it easier for debtors to come to an arrangement with creditors for repayment of debts without being made bankrupt. This procedure would involve the court imposing a ban on court proceedings against a debtor while an arrangement was being prepared. Time limits would be imposed and the arrangement would be prepared by a qualified person. Creditors would vote on whether to accept or reject the offer;
- \* Bankrupts should be automatically discharged from bankruptcy after three years. At present, only about one per cent of bankrupts are discharged. Discharge would be subject, however, to objection being made to discharge if the bankrupt fails, for example, to co-operate with the trustee. It would also be possible for bankrupts to seek early discharge. People who become bankrupt for a second time would, however, be expected to remain bankrupt for eight years.

The report will be submitted to the Financial Services Branch for consideration and necessary follow-up action.

Copies of the report, priced at \$86, will be on sale at the Government Publications Centre, Queensway Government Offices, from today.

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### Early implementation of divorce law reform

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The Government will bring the divorce reform legislation into effect as soon as possible so that its provisions are available to those who wish to make use of them, the Secretary for Home Affairs, Mr Michael Suen, said today (Thursday).

Speaking at the Installation Ceremony of the 1995-96 Executive Board of the Zonta Club of Hong Kong East, Mr Suen highlighted the main features of the amendments which are aimed at relieving hardship and distress for couples whose marriage has reached the stage of irretrievable breakdown.

He said following the passage of the amendment bill through the Legislative Council last week, corresponding changes to the Chief Justice's rules that provide for the detailed procedures and forms for divorce proceedings are needed.

"I am pleased to say that work on these changes is well advanced. A full draft has already been prepared for the Chief Justice. The Judiciary Administrator is currently seeking comments on the draft both from within the judiciary and from legal practitioners," he said.

Mr Suen expected the exercise would be completed by the end of next month when the amendments would be finalised.

"We then expect the Chief Justice to move rapidly to make the amending rules so that we can bring the reform legislation into force without undue delay," he said.

The main changes embodied in the legislation involved firstly the reduction in the minimum periods of separation required as the basis for divorce proceedings from two years to one year where both parties consent to the divorce; and from five to two years where one party does not consent.

Secondly, the legislation introduces a new divorce procedure of joint application by mutual consent, which removes the adversarial element for those who prefer to conduct the divorce on the basis of mutual consent.

Meanwhile, the third significant reform under the new legislation will reduce the time restriction on divorce early in marriage from three years to one year.

Mr Suen said the amendment was based on a variety of reforms which had been proposed by the Law Reform Commission to bring the law of divorce more in line with the balance of community opinion.

The Commission conducted a wide consultation exercise among experts and interested parties, and also carried out a comprehensive survey of public opinions.

The reforms proposed by the Commission were well received by interested organisations and the general public, he said.

Mr Suen emphasised that it was no part of Government policy to encourage divorce.

"On the contrary, the Government has been devoting considerable resources to expanding and strengthening services in support of the family," he said.

Mr Suen said marriage counselling and mediation constituted an integral part of the family casework services provided by the Social Services Department and subvented organisations.

He said such services were provided at a total of 62 Family Services Centres located throughout the territory.

"To strengthen services for the family, additional family caseworkers were recruited last year and more will be engaged in the current financial year," he said.

Mr Suen said apart from expanding and strengthening service provision, the Government was committed to making information on marriage counselling and mediation services more available and accessible to potential clients.

The information will be widely distributed through various channels including the Divorce Registry, Legal Aid offices, the Police, Social Welfare Department, district offices, non-governmental organisations and legal practitioners in the family law area, he said.

Meanwhile, said Mr Suen, the Family Care Demonstration and Resource Centre in Chai Wan established last year with a generous donation from the Zonta Club of Hong Kong has provided demonstration and practical skills training to married couples in small group sessions on family care and home management.

In addition, 19 Family activity and resource centres have been established since last year to serve as convenient drop-in centres for families in the locality, he said.

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### Technical group held second sewage meeting

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The Sino-British Technical Group on Sewage held its second meeting yesterday and today (Thursday) in Hong Kong.

After the meeting, the leader of the British side, the Director of Drainage Services, Mr Ng Yee-yum, said the two sides had exchanged views on a number of questions related to the Strategic Sewage Disposal Scheme (SSDS).

"In particular, the Group discussed the scope and timing of the overall Environmental Impact Assessment (EIA) for Hong Kong's sewage disposal works as well as the water quality objectives and standards to be adopted in the assessment for both Hong Kong and Chinese waters. Both sides have reached consensus on these points," he said.

Mr Ng also stated that during the course of the meetings, the British side had replied to a number of questions raised by the Chinese side over SSDS.

"We now need to turn our attention to completing the overall EIA for the SSDS in the shortest time possible in order to attain the convergence of the various stages of SSDS, so as to achieve the objective of improving the water quality of Hong Kong waters," he said.

Professor Jing Wenyong, the leader of the Chinese side, fully endorsed Mr Ng's views.

He was also very satisfied with the work progress of the Sino-British Technical Group on Sewage.

Meanwhile, to prepare for the convergence of the various stages of SSDS in order to resolve the territory's water pollution problem early, the Chinese side urged the British side to start the EIA study for the SSDS as soon as possible.

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**Appointments to Hong Kong Arts Development Council**

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The Governor has appointed Sir Joseph Hotung as Chairman and Miss Christine Loh as Vice-Chairman of the statutory Hong Kong Arts Development Council, due to be established on June 1.

The following persons have also been appointed as members of the Council:

**Non-official:**

Dr Chan Wing-wah  
Mr Chang Cheuk-cheung  
Mr Benny Chia  
Mr Vincent Chow  
Mr David Eldon  
Mr Angus Hamish Forsyth  
Mr Oscar Ho  
Mr Michael Hui  
Mr Kan Tai-keung  
Mr Lai Kin  
Miss Lee Mer  
Mr Raymond Liu  
Mr Lo King-man  
Ms Yip Wing-sie  
Mr Yu Shu-tak  
Mr Danny Yung

**Ex-officio:**

The Chairman of the Urban Council or his representative  
The Chairman of the Regional Council or his representative  
The Secretary for Recreation and Culture or his representative  
The Director of Education or his representative

All the appointments will be published in the Government Gazette on June 1 and are for a period from June 1 to December 31.

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### Revision of transport fees and charges

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Certain fees and charges specified under the main ordinance and the subsidiary legislation made pursuant to the Road Traffic Ordinance, the Ferry Services Ordinance and the Road Tunnels (Government) Ordinance will be revised from June 29.

A Government spokesman said today (Thursday) that it was Government policy that fees should generally be set at levels sufficient to recover the full costs of providing the services.

"Most of the fees were last revised in June 1994 to achieve full cost recovery. To cover the increase in cost since the last revision, the fees will be increased by about 10 per cent from June 29," he said.

The fees involved are mainly in respect of vehicle examination and the issue of certificates and permits under the subsidiary legislation.

The relevant amendment Order and Regulations will be published in the Gazette tomorrow (Friday).

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### Trade Department to revise fees and charges

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Application fees for certain trade licences, certificates, related documents and services will be revised as from June 30 this year under the Import and Export (Fees) (Amendment) Regulation 1995 to be gazetted tomorrow (Friday).

In parallel, annual subscription fees for Notices to Exporters and other circulars issued by the Trade Department will also be revised.

A spokesman for the department today (Thursday) stressed that the revision of fees and charges was necessary to recover the cost.

"A recent costing review indicates that these services have been operating at a deficit," he said.

"It is the Government's policy that fees and charges should recover the full cost of providing the services, and that a costing exercise should be conducted once every four years. The new scale of fees is determined in line with this policy."

The spokesman said most of the new fees and charges would take effect as from June 30, except for certain certificates and registration fees which would be revised at a later stage.

"The Textiles Advisory Board (TEXTAB) and the Trade Advisory Board (TAB) have been consulted respectively. The TAB has raised no objection to the fee proposals. Some TEXTAB members are concerned about the proposed new fees in respect of certain items under the Certificate of Origin System," he said.

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#### Provisional statistics of retail sales for March 1995

\* \* \* \* \*

The value of total retail sales in March 1995, estimated at \$16.6 billion, increased by 5% when compared with March 1994, according to provisional figures released today (Thursday) by the Census and Statistics Department.

After discounting the effect of price changes over the period, total retail sales dropped by 1% in volume.

The slightly decrease in total retail sales volume in March 1995 was mainly attributable to the decline in sales of motor vehicles and other consumer durable goods.

Sales of these two items decreased by 32% and 7% respectively in value. Their respective decreases in volume terms were 38% and 10%.

However, it should be noted that the year-on-year growth rates of total retail sales in March 1995 were also affected by a very good performance in March 1994, with the growth rates at that time reaching 17% and 11% in value and volume terms respectively.

Compared with February 1995, but bearing in mind that this comparison may be affected by seasonal factors, total retail sales in March 1995 increased by 8% in value and 9% in volume.

Comparing March 1995 with March 1994, sales of most other commodities recorded increases in value but decreases in volume by various magnitudes. They included clothing and footwear (+9% in value but -3% in volume); fuels (+7% in value, -3% in volume); food, alcoholic drinks and tobacco (+5% in value, -2% in volume); department stores (+4% in value, -5% in volume); and supermarkets (+3% in value, -5% in volume).

Nevertheless, sales of jewellery, watches and clocks and valuable gifts continued to increase considerably, by 13% in value and 11% in volume.

Comparing the period from January to March 1995 with the same period in 1994, total retail sales rose by 7% in value and 1% in volume.

The volume of retail sales is derived from the value of retail sales after adjusting for price changes. The relevant components of the Consumer Price Index are used as deflators.

Table 1 presents the revised total retail sales figure for February 1995 and the provisional figure for March 1995.

Table 2 shows the value and volume indices of retail sales in February and March 1995 for all retail outlets and by type of retail outlet, with average retail sales from October 1989 to September 1990 taken as 100.

Comparisons of the March 1995 results with those for February 1995 and those for March 1994, as well as comparisons of retail sales in the period from January to March 1995 with the same period in 1994 are also given.

The report containing the analysis of the March 1995 results is now on sale at \$4 per copy at the Government Publications Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway; and the Publications Section of the Census and Statistics Department, 19th floor, Wanchai Tower, Wan Chai.

Enquiries about the survey results may be directed to the Wholesale and Retail Trade Statistics Section of the Census and Statistics Department on tel 2802 1258.

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**TABLE 1 : TOTAL RETAIL SALES**

Total Retail Sales for March 1995 (Provisional Figure) = HK\$16,612.6 million  
for February 1995 (Revised Figure) = HK\$15,321.2 million

**TABLE 2 : VALUE AND VOLUME INDICES OF RETAIL SALES FOR FEBRUARY 1995 AND MARCH 1995**

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

Type of Outlet	Type of index	Index number		March 1995 compared with February 1995		March 1995 compared with March 1994		Jan.-Mar. 1995 compared with Jan.-Mar. 1994	
		February 1995 (Revised figures)	March 1995 (Provisional figures)	(Points)	(%)	(Points)	(%)	(Points)	(%)
<b>(A) FOR ALL RETAIL OUTLETS</b>									
	Value	163.1	176.9	+13.8	+8.4	+8.2	+4.9	+12.1	+6.9
	Volume	125.8	136.9	+11.1	+8.8	-1.8	-1.3	+0.7	+0.5
<b>(B) BY TYPE OF RETAIL OUTLET</b>									
Food, alcoholic drinks and tobacco (other than supermarkets)	Value	122.5	136.1	+13.6	+11.1	+6.7	+5.1	+4.5	+3.4
	Volume	88.2	98.9	+10.8	+12.2	-1.8	-1.8	-4.2	-4.0
Supermarkets $\phi$	Value	134.0	156.5	+22.5	+16.8	+5.1	+3.4	+5.6	+3.6
	Volume	91.4	105.6	+14.2	+15.5	-5.1	-4.6	-5.2	-4.5
Fuels	Value	119.2	145.4	+26.2	+22.0	+9.1	+6.7	+10.9	+8.7
	Volume	81.0	95.1	+14.1	+17.4	-3.0	-3.0	+0.1	+0.1
Clothing, footwear and allied products	Value	195.6	238.7	+43.1	+22.0	+19.6	+8.9	+30.8	+12.7
	Volume	136.0	166.0	+29.9	+22.0	-5.9	-3.4	+1.5	+0.8
Consumer durable goods	Value	189.5	155.5	-34.1	-18.0	-31.7	-16.9	-8.7	-4.6
	Volume	148.2	127.7	-20.5	-13.8	-31.4	-19.7	-15.2	-9.5
Motor vehicles and parts	Value	225.1	120.3	-104.8	-46.6	-55.9	-31.7	-23.3	-11.8
	Volume	151.4	80.8	-70.6	-46.6	-49.9	-38.2	-30.2	-20.5
Consumer durable goods other than motor vehicles and parts	Value	163.8	180.9	+17.1	+10.5	-14.2	-7.3	+1.9	+1.1
	Volume	145.9	161.7	+15.8	+10.8	-18.0	-10.0	-4.3	-2.6
Department stores	Value	142.7	145.2	+2.5	+1.7	+6.1	+4.4	+8.1	+5.0
	Volume	103.4	104.5	+1.1	+1.1	-5.8	-5.3	-5.4	-4.2
Jewellery, watches and clocks, and valuable gifts	Value	174.2	210.9	+36.7	+21.1	+24.5	+13.1	+24.0	+13.4
	Volume	166.2	199.3	+33.1	+19.9	+20.5	+11.4	+22.0	+12.9
Other consumer goods not elsewhere classified	Value	186.7	218.5	+31.8	+17.0	+42.4	+24.1	+29.1	+15.9
	Volume	144.1	166.7	+22.5	+15.6	+25.0	+17.7	+14.8	+9.9

NOTE :  $\phi$  Not including supermarkets operating in department stores.

### Three annual surveys by Industry Department

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The Industry Department is conducting three annual surveys to collect information on Hong Kong's manufacturing environment, external investment in local manufacturing industries and regional representation by overseas companies in the territory.

A spokesman for the department said the Survey of Hong Kong's Manufacturing Environment was the sixth to be conducted by the department. It aims at collecting manufacturers' views on Hong Kong's investment environment and how they saw their business prospects.

The Survey would cover some 2,800 random sampled establishments in 14 selected manufacturing industries, including clothing, electronics, textiles, watches and clocks, printing, plastics, metal products, and food and beverage etc., the spokesman said.

Targetting at some 1,700 manufacturing establishments containing external investment, the Survey of External Investment in Hong Kong's Manufacturing Industries aims at ascertaining the state of external investment in local manufacturing industries.

"Information on the value of investment, the source countries for the investment and its distribution among the manufacturing industries will be collected," the spokesman said.

He said the third survey was concerned with identifying the number of regional headquarters and regional offices established by overseas companies in Hong Kong and seeking the companies' views on the pros and cons of Hong Kong as a regional headquarters or regional office.

The Survey of regional Representation by Overseas Companies in Hong Kong would cover all overseas companies known to be operating in Hong Kong, which were about 10,000, he noted.

Questionnaires of the three surveys have been sent to selected manufacturing establishments in late May. Where necessary, survey officers of the Industry Department would visit the establishments to assist them in completing the questionnaires between June and August.

"Since the information to be collected from the surveys will be useful to the Government and the business community in evaluating the industrial development and investment environment of Hong Kong, we urge those establishments selected in the surveys to co-operate by completing the questionnaires," the spokesman said.

"Information on individual establishments collected from the surveys will be treated in the strictest confidence," he added.

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#### Latest throughput figures shows need for port facilities

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Hong Kong's need for new container port facilities has been underlined by its latest throughput figures.

In the first four months of this year, the eight container terminals at Kwai Chung and Stonecutters Island recorded an 18 per cent increase in throughput when compared with the same period last year.

The terminals handled a total of 2.5 million twenty-foot-equivalent units (TEUs) in the first third of 1995, compared with just over two million the first four months of 1994.

Month by month, the terminals handled 666,000 TEUs in January, 482,000 TEUs in February and 651,000 TEUs in March, making a total of 1.8 million TEUs for the first quarter. April saw them handling another 659,000 TEUs.

The early months of the year are a comparatively quiet time for Hong Kong. The busiest months are July to September.

Last year, Hong Kong handled one million TEUs in each of those months. It was the only port in the world to handle one million TEUs in a single month. Some 66 per cent of the total throughput was handled by the eight terminals while the rest was handled by mid-stream and river trade operators.

The 18 per cent growth in terminal figures follows a record 1994 when Hong Kong's overall container throughput rose by 20 per cent to 11 million TEUs. Of this total 7.3 million TEUs passed over the quayface at the eight terminals.

Although the port has so far managed to handle the substantial increases in throughput, businessmen are worried that continued growth will cause port congestion and severe economic losses to Hong Kong.

Hong Kong's ninth container terminal, CT9, is already behind schedule. Port Development Board forecasts show that the first berth of CT9 should come into operation by September 1996.

In the absence of Chinese Government endorsement of the project work has not yet started. Given the normal two year construction period, the first berth of CT9 cannot be completed until late 1997 at the earliest.

The delay has prompted business groups to call for work on Container Terminals 10 and 11, the first on Lantau, to start immediately.

Current plans are for work on CT10 and 11 to start in early 1996 and the first berth to come on stream in early 1998.

The Secretary of the Port Development Board, Mr Tony Clark, said: "We base our planning for new container terminals on a five-year trigger point mechanism. This is established by the Port Development Board and accepted by the Government and the terminal operators.

"According to this five-year trigger point, we need the first berth of CT10 by June 1998 and the first berth of CT11 by September 1999.

Mr Clark added: "Of course, in view of the delays to CT9 the Board and government planners are doing their best to accelerate the Lantau development programme.

"But it is clear that we will soon be facing a shortage of container facilities despite the improved efficiency of the existing terminals."

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#### Airport Consultative Committee meets next Monday

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Members of the Consultative Committee on the New Airport and Related Projects will hold its plenary meeting at 2.30 pm next Monday (May 29).

The meeting will take place at the Conference Hall, first floor, Central Government Offices, Main Wing (New Annexe), Lower Albert Road, Central.

Members of the public who wish to observe the proceedings are requested to reserve a seat by telephoning Mr Chan Ho-keung at 2829 6745 during office hours.

As seating in the Conference Hall is limited, bookings will be accepted on a first come, first served basis.

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Attention News Editors:

Your representatives are invited to cover the meeting.

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The term "working person" clarified

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In response to press enquiries, a spokesman for the Registration and Electoral Office clarified today (Thursday) that persons, including housewives, who buy and sell for their own benefits foreign currencies/stocks through banks, brokers; or who receive interest from fixed or savings deposits in banks/financial institutions are not "working persons".

The spokesman said only "working persons" engaged in economic activities in Hong Kong for remuneration, whether as employees or self-employed persons, are entitled to a second vote in one of the nine new functional constituency elections in the September Legislative Council elections.

A person is accepted as a "working person" for registration as an elector if:

- \* he obtains money/income due to his contributions towards the production of goods/services; and
- \* his activity can be classified in the Hong Kong Standard Industrial Classification.

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### Grading of beach water quality

\* \* \* \* \*

The Environmental Protection Department (EPD) today (Thursday) announced grades on the bacteriological 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 bacteriological pollution at various beaches.

The grading will be announced biweekly during the bathing season to coincide with the frequency at which beach waters are usually sampled.

The grading is based on the most recent data obtained by EPD in its routine monitoring programme.

It gives an estimate on the risk of contracting some minor skin or gastrointestinal illnesses resulted from swimming at a beach with some degree of pollution.

The estimate is based on a large scale epidemiological study carried out in Hong Kong in the past bathing seasons.

The grading of some beaches fluctuates during the summer. In most cases, this represents a natural fluctuation in the bacteriological quality of bathing waters as rain and tides bring more or less pollution to the beaches.

Beaches with highly developed hinterlands are likely to be more polluted than the grades suggested during and after heavy rain.

Principal Environmental Protection Officer Dr Malcolm Broom said: "Bathers should avoid swimming at such beaches for two to three days after a storm, or even longer if the weather remains overcast, shorter if there is strong sunshine."

However, the biweekly grades give a general picture of the most recent 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 poor. 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 very 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 grade "4" occurred repeatedly, so that the average health risk over the bathing season exceeded 15 cases per 1,000 swimmers.

At present four gazetted beaches, namely Anglers', Castle Peak, Old Cafeteria, and Rocky Bay, are closed to swimmers. The decision to close the beaches has been made by the Regional and Urban Councils on the basis of beach water quality monitoring data for 1994. The public are advised not to swim at these beaches. They are identified by an "X" in the following list.

The grades of the bacteriological water quality of various beaches in Hong Kong today are listed below :

<u>Beach</u>	<u>Previous Grading</u> (as at 11.5.95)	<u>Present Grading</u> (as at 25.5.95)
<u>Hong Kong South</u>		
Big Wave Bay	2	2
Chung Hom Kok	1	2
Deep Water Bay	2	1
Hairpin	1	2
Middle Bay	1	1
Repulse Bay	1	1
Shek O	2	2
South Bay	1	1
St Stephen's	1	1
Turtle Cove	1	1
Stanley Main	2	2
Rocky Bay	X	X
To Tei Wan*	1	1
<u>Tuen Mun District</u>		
Golden Beach	2	2
Old Cafeteria	X	X
New Cafeteria	3	2
Castle Peak	X	X
Kadoorie	2	2
Butterfly	3	3
<u>Sai Kung District</u>		
Campers	1	1
Clear Water Bay 1st Beach	1	2
Clear Water Bay 2nd Beach	2	2
Hap Mun Bay	1	1
Kiu Tsui	1	1
Pak Sha Chau	1	1
Silverstrand	2	2
Trio (Hebe Haven)	1	1

Islands District

Cheung Sha Upper	1	1
Cheung Sha Lower	2	3
Discovery Bay*	2	2
Hung Shing Yeh	1	1
Kwun Yam Wan	1	2
Tong Fuk	1	1
Lo So Shing	1	1
Pui O	2	2
Silvermine Bay	2	3
Tung Wan, Cheung Chau	2	2
Tung O*	1	1

Tsuen Wan District

Anglers'	X	X
Approach	4	4
Casam	3	3
Gemini	3	2
Hoi Mei Wan	3	3
Lido	3	3
Ting Kau	4	4
Tung Wan, Ma Wan	2	2

Note: "X" The beach has been closed for swimming purposes.  
\* Non-gazetted beaches.

The following beaches have changed grading on this occasion:

Deep Water Bay from "2" to "1", New Cafeteria and Gemini from "3" to "2", Chung Hom Kok, Hairpin, Clear Water Bay 1st Beach, Kwun Yam Wan from "1" to "2" and Cheung Sha Lower and Silvermine Bay from "2" to "3".

The changes are within the normal range of fluctuation of the bacteriological water quality of these beaches.

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Attention News Editors :

For further enquiries, please contact Dr Malcolm Broom, Principal Environmental Protection Officer of EPD, on 2835 1234.

End/Thursday, May 25, 1995

Voter registration deadline in one week

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With one week before the closing of this year's voter registration drive on June 1, the Chairman of the Boundary and Election Commission, Mr Justice Woo Kwok-hing, today (Thursday) appeals to all potential electors to hurry up and get registered.

"To enable them to vote in the September Legislative Council elections, they must get registered first," the Chairman stressed.

As at today, more than 800,000 electors have been registered in the nine new functional constituencies (FCs). A total of 77,010 voters have been registered in the 20 old FCs, as compared to 71,325 in 1994.

Commenting on the figures, Mr Justice Woo said although the registration figures were improving, he would wish to see many more names added on the electoral roll.

The registration of electors in the FCs under which "corporate electors" have been replaced by individual electors is still unsatisfactory.

He pointed out that there will not be any rolling-over arrangements for these corporate electors to vote in the old FCs.

"It is important that eligible electors must register afresh before our deadline on June 1," he said.

The Chairman said the final numbers of registered electors for all constituencies should be available by mid June.

End/Thursday, May 25, 1995

Application for BN(O) passports

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The final date for Hong Kong British Dependent Territories citizens (BDTCs) born prior to 1947 to apply for British National (Overseas) (BN(O)) passports will be on June 30, a Hong Kong Government Spokesman reminded the public today (Thursday).

Hong Kong BDTCs (such as persons born, naturalised or registered in Hong Kong) must obtain a BN(O) passport if they wish to continue to travel on British passports beyond 1997. As specified in the Second Schedule to the Hong Kong (British Nationality) Order 1986, applications for BN(O) passports must be submitted on or before the final dates relevant to their age groups.

Eligible applicants born prior to 1947 must submit their applications on or before June 30.

Further publicity will be made in respect of BDTCs born in other years so that they may submit their applications by phases according to their age groups. They are of course free to submit their applications now.

Persons who do not comply with the relevant cut-off dates will not be able to travel on British passports beyond 1997. An application made after the final date will only be accepted if the applicant can show there are special circumstances which justify his late application.

A BN(O) Late Registration Appeals Advisory Committee has been established to advise the Governor on those late applications which have been rejected by the Immigration Department.

The spokesman emphasised that those who already had a BN(O) passport, either the conventional hard-cover type or the burgundy red machine readable type, need not apply again.

Applications for BN(O) passports may be submitted to the Immigration Department either by post or in person. Applicants may also deposit their applications into the drop-in boxes installed at the Immigration Headquarters or at any immigration branch offices throughout the territory. Application forms are available at all immigration offices and district offices.

Hong Kong BDTs living, working or studying abroad, are also required to observe the cut-off dates if they want to apply for a BN(O) passport. However, they are not required to return to Hong Kong for their applications. They should submit their applications to the nearest British passport issuing office either by post or in person. The required overseas application forms can be obtained at those offices or the Hong Kong Immigration Department.

For more information, members of the public may telephone 2824 1177 (English) or 2824 1717 (Chinese).

End/Thursday, May 25, 1995

#### History of the Exchange Fund in Quarterly Bulletin

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The May Issue of the Quarterly Bulletin, published today (Thursday) by the Hong Kong Monetary Authority (HKMA), carries an authoritative account of the role, functions and operations of the Exchange Fund covering the 60 years from its inception in 1935.

The publication of the article reflects the HKMA's commitment to greater transparency and accountability.

Entitled "A Brief History of the Exchange Fund", the article was prepared by the Executive Director of the Reserves Management Department of the HKMA, Mr John Nugée.

The author traces the history of the Exchange Fund from its origin as a reserve backing Hong Kong's bank note issue in an arrangement akin to a currency board system.

Even in the early days, the primary role of the Exchange Fund was to regulate the value of Hong Kong's currency. The Exchange Fund has retained these functions and features to this day.

During the past six decades, the article shows that HK dollar was for the most part either pegged to Sterling or linked to the US dollar, except for the period between November 1974 and October 1983 when Hong Kong had a floating exchange rate regime.

Accompanying the article are tables and charts showing the balance sheet of the Exchange Fund, including a currency breakdown for the assets, for the period from 1936 to 1994.

The data for 1945-1985, which have not been disclosed before, show that at various times in the past, more frequently so in the initial period when the Hong Kong dollar was floated, the Fund has shown net accumulated deficits. However, net accumulated surpluses have dominated recent years.

Some of the more notable events in the history of the Exchange Fund that are analysed in the article include:

- \* The background to the formation of the Exchange Fund in 1935.
- \* The resumption of the note issue after the war years.
- \* The use of intervention by the Government to preserve the exchange rate, which has been a major use of the Fund since the early 70s and was first used less than a month after the Hong Kong dollar link with Sterling was broken.
- \* The currency crisis in 1983, which resulted in the establishment of the present linked rate system.
- \* The intervention during the currency crisis in 1983, which was extensive, and which the article demonstrates yielded a net profit for the Exchange Fund.
- \* The use of the Exchange Fund in the rescue of seven banks in the 1980s. In most cases, the Exchange Fund either took over the problem bank and sold it to the private sector after nursing it back to health or extended financial assistance to enable third parties to undertake the restructuring. The article says that the net cost to the Exchange Fund of the rescue operations during the 1983-1993 period was HK\$3,800 million in accounting terms.
- \* The development of the monetary reform measures in the late 1980s and early 1990s, culminating in the formation of the HKMA.

End/Thursday, May 25, 1995

No mail service on Tuen Ng Festival

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The acting Postmaster General, Miss Nancy Law, announced today (Thursday) that there would be no mail delivery on Tuen Ng Festival (June 2).

All post offices would be closed on that day.

End/Thursday, May 25, 1995

Po Leung Kuk directors visit SWD

\* \* \* \* \*

The new Board of Directors of Po Leung Kuk today (Thursday) paid a courtesy visit to the Director of Social Welfare, Mr Ian Strachan, and exchanged with him views on welfare services for the coming year.

The new chairman, Mr Tan Giok Sie, outlined the Kuk's various social welfare projects including child care, rehabilitation and elderly services.

He also thanked the Social Welfare Department for offering advice and support to the Kuk in the past years.

During the visit, Mr Strachan assured the board members that his department would continue to work closely with them in providing welfare services to the needy.

End/Thursday, May 25, 1995

Hong Kong Monetary Authority money market operations

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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,394	0930	+1119
Closing balance in the account	2,855	1000	+1119
Change attributable to :		1100	+1179
Money market activity	+1,181	1200	+1181
LAF today	+280	1500	+1181
		1600	+1181

LAF rate 4.25% bid/6.25% offer TWI 119.1 \*-0.4\* 25.5.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.62	2 years	2705	6.40	100.61	6.16
1 month	5.63	3 years	3804	6.90	101.24	6.53
3 months	5.70	5 years	5003	7.75	103.22	7.07
6 months	5.77	5 years	M501	7.90	101.37	7.71
12 months	5.82					

Total turnover of EF bills and notes - \$12,126 million

Closed May 25, 1995

End/Thursday, May 25, 1995