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## DAILY INFORMATION BULLETIN

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<u>Contents</u>	<u>Page No.</u>
Governor to meet President Clinton .....	1
Trade outlook shows signs of improvement: FS .....	2
FS's media session .....	3
Dentist and nurses registration bills endorsed by ExCo .....	4
Monitors' Report submitted to CS .....	4
Grading of beach water quality .....	5
Volume and price movements of external trade in February .....	9
Six students to join US exchange camp .....	16
New Tai Po District Officer appointed .....	16
RAF Helicopter Squadron Press Day .....	17
Hong Kong Monetary Authority money market operations .....	17

## Governor to meet President Clinton

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The Governor, the Rt Hon Christopher Patten, will meet President Clinton tomorrow (May 9, Washington time) at the White House.

It will be followed by a breakfast meeting between the Governor and the Secretary of State Warren Christopher on the final day of Mr Patten's visit to Washington D C.

During the meetings, Mr Patten is expected to set out Hong Kong's views on the issue of MFN and trade and to brief both Mr Christopher and Mr Clinton on the territory's current position in the transition to Chinese sovereignty.

Today (May 8, Washington time), the Governor had a full day of appointments on Capitol Hill and speaking engagements.

He met presumptive Republican presidential nominee Senator Bob Dole and members of the Republican Leadership, including House Republican Leader Dick Armey; members of the Senate Foreign Relations Committee, and two House Committees: the International Relations Committee and the Ways and Means Committee.

His day began with a breakfast meeting with members of prominent US think tanks, including representatives from The Heritage Foundation, the US Institute of Peace, the Council on Foreign Relations, the Brookings Institute and the National Intelligence Council.

At lunch time, he gave a keynote speech to 200 members of the National Press Club, and in the evening he addressed the 50th anniversary annual dinner of the Oxford and Cambridge universities.

Media appointments were also included in Mr Patten's programme for the day, including an editorial board meeting with the Washington Post and a live television interview with CNN.

Following the meetings with the Secretary of State and the President tomorrow, the Governor will address a meeting of leading US journalists organised by the Freedom Forum, and meet Secretary of the Treasury Robert Rubin.

Before departing for a two-day visit to Seattle and returning to Hong Kong, Mr Patten will give three media interviews.

End

Trade outlook shows signs of improvement: FS

\* \* \* \* \*

The Financial Secretary, Mr Donald Tsang, said today (Thursday) that there were signs of improvement in the trade outlook of Hong Kong in the next few months, notwithstanding a more volatile export performance in the first quarter of the year.

Speaking at the luncheon meeting of the Hong Kong Exporters Association, Mr Tsang said more orders had been received most recently than in the early part of the year, and producers' orders for raw materials had also increased.

He said all these suggested a positive production prospect into the third quarter of this year.

"While we should not be pessimistic or complacent, it would only be prudent for us to monitor the situation closely. And this I and my colleagues will do in the coming months," he said.

Mr Tsang said the provisional external trade figures for the month of March released recently did not come as a complete surprise, for he had anticipated in his Budget Speech that the slow growth in the latter part of 1995 would linger on in the early part of 1996.

There were also other extraordinary factors, he said, adding that these included the cold weather in the United States, the expectation for import tariff cuts in China with effect from April, the earlier tension across the Taiwan Strait, and the late timing of the Lunar New Year combined in March.

"So, let no one draw any rash conclusion that a trade slump is emerging on the basis of such provisional trade figures," he added.

Mr Tsang also briefly outlined Government's recent plans to promote regional economic co-operation.

"Our task is to ensure that Hong Kong will continue to play a leading role in contributing towards regional trade liberalisation in the decade ahead. Our aim is to bring regional co-operation and prosperity to a higher plateau across a wide spectrum of economic activities," he said.

Mr Tsang would lead a Hong Kong delegation next week to visit Malaysia, Singapore and Thailand to foster better mutual understanding and closer business ties, and to enhance co-operation with service suppliers in the region.

The theme of the visit is "Building a Strategic Partnership".

"A key message that we will put across is Hong Kong's position as a gateway to China and our strong economic position in the Asia-Pacific region both now and after 1997," he said.

During the visit, he would call on senior government officials and meet leading local businessmen and the local media.

He would also officially open Hong Kong's Economic and Trade Office in Singapore, where the secretariats of two prominent regional economic forums in which Hong Kong participated actively - the Asia-Pacific Economic Co-operation (APEC) and the Pacific Economic Co-operation Council - were established.

"I hope my forthcoming trip to our three Southeast Asian APEC neighbours serves to underline the efforts which the Government is making in promoting our business opportunities in the region and in strengthening our official and business ties within the APEC community", Mr. Tsang concluded.

End .

#### FS's media session

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Following is the transcript of the remarks by the Financial Secretary, Mr Donald Tsang, after consultation with Legislative Council members on the expenditure proposals for the 1997-98 Budget this (Thursday) afternoon :

FS: I have just completed seven rounds of meeting with Legislative Councillors on the expenditure side of the coming year's Budget. The meetings have been exceedingly useful. Some groups of the Legislative Councillors have in fact given us written suggestions on how I should spend the coming year's resources. We have discussed also possible areas in which savings could be made. Unfortunately on this matter councillors\* have spent less time on, and have given me less specific ideas. But there was a common position that in order to find more resources to meet with community aspirations in the year ahead, not only we have to spend the new resources carefully, we have to find ways to make savings from existing services in order to create larger pool of resources. That was the common position. Now we have got the ideas from Legislative Councillors, what my colleagues and I would be going to do would be to analyse these proposals and put these proposals to various policy branches. They are going to examine them and in the light of public response as well and public comments on these proposals, they will be going to make bids for resources in the coming Resources Allocation Exercise. The whole exercise has been very smooth and I am very happy with the outcome.

End

Dentists and nurses registration bills endorsed by ExCo

\* \* \* \* \*

The Governor-in-Council has endorsed the introduction of the Dentists Registration (Amendment) Bill 1996 and the Nurses Registration (Amendment) Bill 1996.

A spokesman for the Health and Welfare Branch today (Thursday) said the proposed dentists registration bill spelt out clearly that any person awarded a degree of dentistry by the University of Hong Kong is qualified to be registered as a dentist in the territory.

"The Bill also provides that an applicant is required to submit evidence that he has not been convicted in Hong Kong or elsewhere of any offence punishable with imprisonment, on an application for the issuance and renewal of a practising certificate for dentist," he said.

As to the nurses registration bill, it provides that the usage of the term of "nurse" be restricted to those who are registered nurses and enrolled nurses.

The two bills will be gazetted on May 17 and introduced into the Legislative Council on May 29.

End

Monitors' Report submitted to CS

\* \* \* \* \*

The monitors appointed to observe the transfer of Vietnamese migrants selected for the Orderly Repatriation Programme from the High Island Detention Centre to Victoria Prison yesterday (Wednesday) morning have submitted their report to the Chief Secretary.

The four monitors comprised two non-official Justices of the Peace, Miss Maria Tam Wai-chu and Mr Chan Ying-lun; and representatives from two non-governmental organisations - Ms Harriet Sewell from Christian Action and Ms Sherman Tang from Oxfam.

End

### Grading of beach water quality

\* \* \* \* \*

The Environmental Protection Department (EPD) today (Thursday) announced the grading of Hong Kong's beaches, based on their bacteriological water quality, for the 1996 swimming season.

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 E coli data obtained by EPD in its routine monitoring programme.

As with last year, the grading also includes an estimate of the risk of contracting 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 bacteriological 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.

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

"Bathers should avoid such beaches for two or three days after a storm, longer if the weather remains overcast or less if there is strong sunshine," Principal Environmental Protection Officer, Mr Patrick Lei, said.

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 five gazetted beaches, namely Anglers', Approach, Castle Peak, Rocky Bay and Ting Kau, are closed to swimmers, while Old Cafeteria is re-opened. The decision to open or close the beaches has been made by the Regional and Urban Councils on the basis of beach water quality monitoring data for 1995. The public are advised not to swim at the closed 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:

Beach	Previous Grading (as at 25.4.96)	Present Grading (as at 9.5.96)
<u>Hong Kong South</u>		
Big Wave Bay	2	2
Chung Hom Kok	1	1
Deep Water Bay	1	1
Hairpin	1	1
Middle Bay	1	1
Repulse Bay	1	1
Shek O	2	2
South Bay	1	1
St. Stephen's	2	2
Turtle Cove	1	1
Stanley Main	2	2
Rocky Bay	X	X
To Tei Wan*	2	2

Tuen Mun District

Golden Beach	3	2
Old Cafeteria	2	2
New Cafeteria	3	3
Castle Peak	X	X
Kadoorie	3	3
Butterfly	3	3

Beach	Previous Grading (as at 25.4.96)	Present Grading (as at 9.5.96)
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Sai Kung District

Campers*	1	1
Clear Water Bay 1st Beach	1	2
Clear Water Bay 2nd Beach	1	2
Hap Mun Bay	1	1
Kiu Tsui	1	1
Pak Sha Chau*	1	1
Silverstrand	2	3
Trio (Hebe Haven)	1	2

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	2	2
Tung Wan, Cheung Chau	2	2
Tung O*	1	1

Beach	Previous Grading (as at 25.4.96)	Present Grading (as at 9.5.96)
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Tsuen Wan District

Anglers'	X	X
Approach	X	X
Casam	3	3
Gemini	4	4
Hoi Mei Wan	3	3
Lido	3	4
Ting Kau	X	X
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:

Golden Beach from "3" to "2"; Clear Water Bay 1st Beach, Clear Water Bay 2nd Beach and Trio from "1" to "2"; Silverstrand from "2" to "3"; Lido from "3" to "4".

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

End

## Volume and price movements of external trade in February

\* \* \* \* \*

In the first two months of 1996, the volume of re-exports increased by 14% over the same period last year, while the volume of domestic exports decreased by 0.8%, according to the statistics released today (Thursday) by the Census and Statistics Department.

Taking re-exports and domestic exports together, the volume of total exports increased by 12%. Meanwhile, imports increased by 9% in volume.

The growth in the volume of trade is derived from the growth in trade values with the effect of price changes being discounted.

As regards price changes over the same period of comparison, the prices of re-exports and domestic exports increased by 1.6% and 1.9% respectively. Import prices increased by 1.9%.

Price changes are reflected by changes in unit value indices, which are compiled based on average unit values or, for certain commodities, based on specific price data.

The terms of trade index, defined as the ratio of total export price index to import price index, decreased marginally by 0.2% in first two months of 1996 over the same period last year.

Comparing February 1996 with February 1995, the volume of re-exports increased by 7.3%, while that of domestic exports decreased by 5.6%. Taken together, the volume of total exports increased by 5.1%. Meanwhile, the volume of imports decreased by 4.3%.

Over the same period of comparison, the prices of re-exports and domestic exports increased by 1.2% and 2% respectively. Import prices increased by 1.6%.

Caution should be exercised in interpreting the changes in the volume of trade for a single month at the beginning of each year which may be affected by the timing of the Lunar New Year holidays. It is more meaningful to make comparisons over a longer period.

The changes in the value, unit value and volume of re-exports by end-use category are shown in Table 1.

Comparing February 1996 with February 1995, the volume of re-exports of most of the end-use categories recorded increases of various magnitudes: consumer goods (+19%); foodstuffs (+9.1%); and capital goods (+8.4%).

On the other hand, the volume of raw materials and semi-manufactures, and fuels decreased by 8.9% and 8.1% respectively.

Over the same period of comparison, increases in the prices of re-exports were noted of most of the end-use categories: fuels (+8.2%); consumer goods (+1.8%); raw materials and semi-manufactures (+0.9%); and foodstuffs (+0.6%).

On the other hand, the re-export price of capital goods decreased marginally by 0.2%.

The changes in the value, unit value and volume of domestic exports by principal commodity group are shown in Table 2.

Comparing February 1996 with February 1995, commodity groups which recorded significant increases in the volume of domestic exports included clothing (+12%); travel goods, handbags and similar articles (+11%); and metal ores and scrap (+8.1%).

On the other hand, the volume of domestic exports of footwear and textile made-ups and related articles decreased by 60% and 34% respectively.

Commodity groups which recorded increases in domestic export prices included textile yarn and thread (+8.3%); and metal manufactures (+6.1%).

On the other hand, the domestic export price of domestic electrical appliances and footwear decreased by 3.2% and 1.9% respectively.

The changes in the value, unit value and volume of imports by end-use category are shown in Table 3.

The import volume of foodstuffs decreased by 1.8% in February 1996 compared with February 1995.

Significant decreases in the import volume were noted of soya bean oil, peanut oil, vegetable oil and lard; and animals of the bovine species, live. However increases were recorded in the import volume of sugar; and cereals and cereal preparations other than rice, wheat and flour.

Over the same period of comparison, the import volume of consumer goods increased by 4.9%.

Increases in import volume were recorded in clothing; and household-type electrical appliances. However, decreases in the import volume were noted of passenger motor cars and radios, television-sets, gramophones, records, tape recorders and amplifiers.

The import volume of raw materials and semi-manufactures decreased by 16% in February 1996 compared with February 1995.

Decreases in import volume were recorded in most of the raw materials and semi-manufactures. Significant decreases were noted of silk fabrics; and woven fabrics of man-made fibres. However, increases in import volume were noted of woven fabrics of wool and mixtures; and thermionic, cold cathode or photo cathode valves and tubes, diodes, transistors etc and parts thereof.

Imports of fuels increased by 71% in volume in February 1996 compared with February 1995.

As regards capital goods, the import volume decreased by 5.5% in February 1996 over February 1995.

Notable decreases were recorded in the import volume of transport equipment and textile machinery. The import volume of office machines however increased.

Comparing February 1996 with February 1995, the import prices of most of the end-use categories increased : fuels (+5%); consumer goods (+2.7%); raw materials and semi-manufactures (+1.1%); and foodstuffs (+1.1%).

On the other hand, the import price of capital goods decreased marginally by 0.2%.

Details of the above statistics are published in the February 1996 issue of the "Hong Kong Trade Index Numbers".

The report will be available on sale around May 13 at HK\$14 per copy at either the Government Publications Centre on the ground floor, Low Block, Queensway Government Offices, 66 Queensway; or the Publications Unit of the Census and Statistics Department on the 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai.

Enquiries regarding regular subscription to this report may be directed to the Publications (Sales) Office of the Information Services Department on 28th floor, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong on 2598 8194 and enquiries on trade indices to the Census and Statistics Department on 2582 4918.

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Table 1 : Changes in re-exports by end-use category

End-use category	Comparing FEB 1996 with FEB 1995			Comparing JAN-FEB 1996 with JAN-FEB 1995		
	% changes			% changes		
	Value	Unit Value	Volume	Value	Unit Value	Volume
Foodstuffs	9.7	0.6	9.1	14.0	0.5	13.9
Consumer goods	21.5	1.8	18.6	13.9	2.1	11.2
Raw materials and semi-manufactures	-8.0	0.9	-8.9	16.4	1.6	14.3
Fuels	2.9	8.2	-8.1	21.6	14.7	11.2
Capital goods	6.0	-0.2	8.4	20.4	-0.3	23.7
ALL COMMODITIES	8.9	1.2	7.3	15.8	1.6	14.4

Table 2 : Changes in domestic exports by principal commodity group

Commodity group	Comparing FEB 1996 with FEB 1995			Comparing JAN-FEB 1996 with JAN-FEB 1995		
	% changes			% changes		
	Value	Unit Value	Volume	Value	Unit Value	Volume
Clothing	13.7	1.7	11.9	7.4	2.4	4.7
Textile fabrics	-3.0	1.5	-6.9	6.1	0.7	3.2
Textile yarn and thread	-12.2	8.3	-18.5	8.1	9.2	*
Textile made-ups and related articles	-33.5	-1.4	-33.9	*	-0.4	2.8
Radios of all kinds	26.7	5.1	2.1	140.0	7.0	94.7
Electronic components	-9.9	-0.2	-11.0	-2.7	-0.8	-3.0
Footwear	-59.8	-1.9	-60.3	-41.6	-2.0	-41.1
Metal manufactures	-7.2	6.1	-12.8	6.3	7.3	-1.5
Metal ores and scrap	3.9	3.4	8.1	-10.9	4.7	-9.8
Watches and clocks	5.4	-0.5	6.7	0.5	-0.4	1.3
Travel goods, handbags and similar articles	17.1	3.9	11.1	12.3	3.3	8.0
Domestic electrical appliances	-14.6	-3.2	-11.0	28.4	-2.4	32.8
ALL COMMODITIES	-3.8	2.0	-5.6	0.8	1.9	-0.8

\* less than 0.05%

Table 3 : Changes in imports by end-use category

End-use category	Comparing FEB 1996 with FEB 1995			Comparing JAN-FEB 1996 with JAN-FEB 1995		
	% changes			% changes		
	Value	Unit Value	Volume	Value	Unit Value	Volume
Foodstuffs	-0.5	1.1	-1.8	7.2	1.7	5.3
Consumer goods	7.2	2.7	4.9	10.1	2.5	7.5
Raw materials and semi-manufactures	-15.9	1.1	-16.1	8.6	1.8	7.1
Fuels	73.9	5.0	70.6	38.9	8.2	30.3
Capital goods	-6.2	-0.2	-5.5	13.2	0.3	13.8
ALL COMMODITIES	-3.8	1.6	-4.3	10.6	1.9	9.0

End

Six students to join US exchange camp

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Four girls and two boys will each receive a trophy as well as a round-trip ticket to the United States to take part in a one-week international youth exchange camp this summer at an essay competition prize-giving ceremony this Saturday (May 11).

Another 20 outstanding awards will also be presented to the winners of the competition at the ceremony.

Some 470 students from 125 secondary schools had entered the Lions Clubs Living English Essay Competition '96.

After attending a English talk show hosted by two disc jockeys, each participant within 10 days submitted an essay to express their opinions on the messages conveyed in the show.

The competition, organised by the Lions Clubs International District 303 Hong Kong and Macau and co-organised by the Education Department and the Radio Television Hong Kong, aimed at developing students' interest in writing and building up their confidence in the use of English as a communication medium.

End

New Tai Po District Officer appointed

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Mr Frankie Lui Kin-fun will take up the post of Tai Po District Officer tomorrow (Friday), replacing Mr Danny Tsui.

Mr Lui, aged 39, joined the Government as an administrative officer in 1978 and was promoted to Administrative Officer Staff Grade C in 1993.

He has served in the Economic Services Branch, the former City and New Territories Administration, Home Affairs Branch, Civil Services Branch, the former Buildings and Lands Department, Security Branch and Urban Services Department.

His last posting was Assistant Director for the Regional Services Department.

End

RAF Helicopter Squadron Press Day

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The 28 (AC) Squadron, Royal Air Force, will hold a Press Day on Tuesday (May 14) to inform and update the local media on all aspects of the Squadron, including its history, roles and capabilities.

The programme will include a familiarisation flight along the border, and practical demonstration of the aircraft's roles and capabilities. These will include moving underslung loads, search and rescue, roping drills, and working with Gurkha troops. There will also be an opportunity to view the engineering support in the hangar.

Press briefings on the closure of Sek Kong Station later this year and the Squadron's subsequent operation from Kai Tak International Airport will also be given.

The 28 Squadron was originally formed in 1915, and has now been based in Hong Kong for 46 years. The Squadron is equipped with six Wessex helicopters.

End

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	1,841	0930	+359
Closing balance in the account	1,680	1000	+359
Change attributable to :		1100	+359
Money market activity	+359	1200	+359
LAF today	-520	1500	+359
		1600	+359

LAF rate 4.00% bid/6.00% offer TWI 123.5\* -0.1\* 9.5.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.84	2 years	2802	5.16	98.50	6.16
1 month	4.95	3 years	3904	6.30	99.33	6.66
3 months	5.15	5 years	5103	6.75	98.23	7.31
6 months	5.29	7 years	7302	6.02	91.70	7.75
12 months	5.59	5 years	M502	7.30	99.67	7.52

Total turnover of EF bills and notes - \$19,865 million

Closed May 9, 1996

End