



# DAILY INFORMATION BULLETIN

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FRIDAY, OCTOBER 14, 1994

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GOVERNOR GIVES LUNCHEON SPEECH

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FOLLOWING IS A TRANSCRIPT OF THE SPEECH BY THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, AT THE JOINT LUNCHEON OF THE HONG KONG GENERAL CHAMBER OF COMMERCE AND THE FEDERATION OF HONG KONG INDUSTRIES TODAY (FRIDAY):

WILLIAM, RAYMOND, LADIES AND GENTLEMEN,

IT'S ALMOST EXACTLY TWO YEARS SINCE I SPOKE TO YOU AFTER MY FIRST LEGCO SPEECH. IT CERTAINLY HASN'T BEEN AN UNEVENTFUL PERIOD. I RATHER WISH IT HAD BEEN. THERE'S NOTHING I'D HAVE LIKED MORE THAN A QUIET LIFE. BUT WHAT HAS ACTUALLY HAPPENED HERE IN HONG KONG DURING THAT PERIOD? HOW HAVE YOU ALL DONE? IS HONG KONG STILL A GOOD PLACE TO DO BUSINESS? OR HAS IT TURNED INTO A WELFARE STATE ON THE ROAD TO BANKRUPTCY, UNFRIENDLY TO BUSINESS, OVER-REGULATED, OVER-TAXED, RIVEN BY SOCIAL DISORDER AS PEOPLE ASSUME THE LIMITED POLITICAL RESPONSIBILITIES THAT THEY HAVE LONG BEEN PROMISED?

PERHAPS YOU'LL ALLOW ME BRIEFLY TO REVIEW WHAT'S HAPPENED IN HONG KONG. THEN TO GIVE YOU MY FOUR PRIORITIES FOR THE LAST 990 DAYS OR SO OF BRITISH ADMINISTRATION.

FIRST - WHAT'S ACTUALLY HAPPENED? LET'S FOLLOW THAT OLD CHINESE PRECEPT "TO SEEK TRUTH FROM FACTS". HAS BUSINESS HAD A ROUGH, TOUGH TIME IN THE LAST COUPLE OF YEARS?

FACT - HONG KONG TODAY IS UP FROM THE 10TH TO THE 8TH LARGEST TRADING ENTITY IN THE WORLD - IF YOUR COUNT THE EUROPEAN UNION AS ONE, WE'RE THE FIFTH LARGEST TRADING COMMUNITY.

FACT - OUR ECONOMY GREW BY 5.5 PER CENT LAST YEAR. AND WE SHOULD HIT 5.7 PER CENT THIS YEAR. THAT WILL BE OUR 34TH SUCCESSIVE YEAR OF GROWTH.

FACT - OUR STOCK MARKET IS UP FROM ABOUT 5,500 TO OVER 9,000. ITS CAPITALISATION HAS RISEN FROM ABOUT \$1,300 BILLION TO OVER \$2,500 BILLION. IT'S GONE UP TO THE 7TH LARGEST MARKET IN THE WORLD.

AND TAKE THE POSITION OF INDIVIDUAL COMPANIES. THE NET CORPORATE PROFITS OF THE TOP FIVE LISTED COMPANIES WERE 50 PER CENT HIGHER LAST YEAR THAN THE YEAR BEFORE, AND PROFITS ARE ALMOST DOUBLE THE FIGURE FOR THE YEAR BEFORE THAT. THE SHARE PRICES OF THOSE COMPANIES HAVE SOARED, TOO. IN ONE CASE, THE SHARE PRICE HAS MORE THAN DOUBLED IN TWO YEARS. IN TWO CASES, IT'S ALMOST DOUBLED. AND THE OTHER TWO COMPANIES HAVE REGISTERED HANDSOME ADVANCES.

ANOTHER FACT - OUR PER CAPITA GDP IS UP 7.5 PER CENT ON 1992. IT'S NOW HIGHER THAN THE UNITED KINGDOM OR AUSTRALIA: THE HIGHEST IN ASIA AFTER JAPAN AND BRUNEI.

SO WHAT DOES THE REST OF THE WORLD THINK ABOUT DOING BUSINESS HERE. DO OTHERS RUN A MILE? WELL, MAYBE SLIGHTLY MORE THAN A MILE - BUT WHEN THEY RUN, IT'S IN OUR DIRECTION.

/THERE ARE .....

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THERE ARE 'NEARLY 30,000 AMERICANS WORKING HERE - UP 28 PER CENT ON AUGUST 1992.

OVER 24,500 BRITONS, UP 42 PER CENT.

OVER 23,000 CANADIANS, UP 42 PER CENT.

NO WONDER OVER 153,600 NEW BUSINESSES - I'LL REPEAT THAT FIGURE, 153,600 NEW BUSINESSES - HAVE BEEN SET UP IN HONG KONG IN THE LAST TWO YEARS.

NO WONDER, THERE ARE NOW 714 REGIONAL HEADQUARTERS BASED IN HONG KONG, UP FROM 588 IN 1992; AND 1,132 REGIONAL OFFICES, COMPARED WITH 757 TWO YEARS AGO. THE NUMBER OF FOREIGN COMPANIES REGISTERED HERE IS UP FROM AROUND 3,200, TWO YEARS AGO, TO OVER 3,800 IN AUGUST THIS YEAR.

WHY HAVE THEY ALL COME? IS IT BECAUSE WE ARE ALLEGEDLY TURNING SOCIALIST? RED SKIES OVER HONG KONG. WELFARISM STRIKES BACK. BANKRUPTCY LOOMS. RAMPANT CIVIC CONSCIOUSNESS THREATENS TO UNDO DECADES OF SUCCESS. IS THAT IT? IS THAT WHY THEY ARE HERE? WELL, HARDLY. I HAVEN'T SPENT THE LAST 50 YEARS OF MY LIFE AS A CONSERVATIVE, AS A TORY, AS A FREE MARKETEEER, TO TURN SOCIALIST IN MIDDLE-AGE. CERTAINLY NOT IN HONG KONG. I LEAVE IDEOLOGICAL ADVENTURES AND PHILOSOPHICAL CHANGES OF GEAR TO OTHERS. AND I GUESS IF THEY WERE HERE, ANSON CHAN AND HAMISH MACLEOD WOULD SAY EXACTLY THE SAME.

IT IS TRUE, HOWEVER, THAT WE ARE SPENDING MORE ON SOCIAL PROGRAMMES.

MORE ON HOUSING, FOR EXAMPLE. BUT DO WE THINK HONG KONG WOULD BE BETTER OFF IF WE LEFT THE TEMPORARY HOUSING AREAS, AND THE SQUATTER SETTLEMENTS, AND THE CAGE-MEN, EXACTLY AS THEY ARE. I GUESS THERE ARE QUITE A FEW PEOPLE IN THIS ROOM TODAY WHO GREW UP IN SQUATTER HOUSING. ISN'T IT A FACT THAT MASSIVELY IMPROVED HOUSING CONDITIONS ARE ONE OF THE MAIN REASONS FOR HONG KONG'S SUCCESS, AS WELL AS FOR HONG KONG'S IMPROVED HEALTH AND FOR HONG KONG'S SOCIAL HARMONY.

YES, WE ARE SPENDING MORE ON EDUCATION. AND SO WE SHOULD IF WE WANT TO SAY AHEAD OF THE GAME. TEN YEARS AGO, THREE PER CENT OF OUR YOUNG PEOPLE WERE GOING TO UNIVERSITY TO STUDY FOR DEGREES. NOW WE'RE UP TO 18 PER CENT FOR DEGREES AND ANOTHER SIX PER CENT FOR DIPLOMAS. OH, AND YES - WE'RE SPENDING 67 PER CENT MORE ON RESEARCH THIS YEAR. IS THAT A WASTE OF OUR MONEY?

YES, WE ARE SPENDING MORE ON WELFARE. ON THE ELDERLY FOR EXAMPLE. AND SO WE SHOULD BE. THE MONEY THAT THE ELDERLY COULD HAVE PUT BY FOR THEIR OLD AGE, WAS IN MANY CASES SPENT ON EDUCATING THEIR CHILDREN AND INVESTING IN THE FUTURE OF HONG KONG. THEY DESERVE A MODEST SHARE IN TODAY'S SUCCESS.

LET ME SAY THREE OTHER THINGS ABOUT SPENDING, ABOUT ALLEGED TO WELFARISM, ABOUT LEARNING TRUTH FROM FACTS.

/FIRST, YES .....

FIRST, YES WE'VE INCREASED SPENDING IN SOME AREAS. BUT WE HAVE KEPT, AND WILL KEEP, PUBLIC SPENDING GROWTH WITHIN THE BROAD RATE OF GROWTH OF THE ECONOMY AS A WHOLE. WE INTEND THAT PUBLIC SPENDING SHOULD REMAIN BELOW 20 PER CENT AS A PROPORTION OF GDP. WHERE ELSE DOES THAT HAPPEN? IN GERMANY, FOR EXAMPLE, I WAS LOOKING AT THE FIGURE THIS MORNING. ONE OF THE BEST EXAMPLES OF THE SUCCESSFUL MARKET ECONOMY OVER THE LAST 40 YEARS, PUBLIC SPENDING AS A PROPORTION OF GDP IS 2.5 TIMES THE LEVEL THAT IT IS IN HONG KONG. WE CONFIDENTLY PREDICT THAT PUBLIC SPENDING IN 1997 WILL BE LOWER - LOWER - AS A PERCENTAGE OF GDP THAN IT WAS IN 1982, BEFORE THE JOINT DECLARATION WAS SIGNED. WHERE ELSE IN THE WORLD DO YOU THINK THAT HAS HAPPENED?

TRUTH FROM FACTS DEPARTMENT ONCE AGAIN. WE'VE GROWTH NOT JUST TO RAISE SPENDING PRUDENTLY, BUT TO CUT TAXES FOR BOTH BUSINESS AND FOR THE WORK-FORCE. IN 1992, HONG KONG HAD THE LOWEST, MOST BUSINESS-FRIENDLY TAX REGIME IN ASIA, MAYBE IN THE WORLD. WELL, SINCE THEN WE'VE CUT TAXES EVEN FURTHER. IDEOLOGICALLY, AS WELL AS GUBERNATORIALLY, WHILE I BELIEVE THAT YOU HAVE TO KEEP A BALANCE BETWEEN SENSIBLE SPENDING AND TAXES, I AM UNSHAKEABLY OF THE VIEW THAT THE MONEY WE TAX IS YOUR MONEY, AND THAT YOU USUALLY SPEND IT MORE SENSIBLY THAN WE DO. I AM WHOLLY AGAINST USING TAXES FOR SOCIAL OR ECONOMIC ENGINEERING. SO WE'VE CUT TAXES TWO YEARS RUNNING - AND AT THE SAME TIME WE'VE PUT MONEY INTO OUR RESERVES AS WELL. WE CUT PROFITS TAX BY ONE PER CENT. WE RAISED ALLOWANCES FOR FAMILIES AND FOR SINGLE TAXPAYERS BY 56 PER CENT. WE TOOK 420,000 PEOPLE OUT OF THE TAX NET THIS YEAR AND 250,000 LAST. WE CUT THE TAX BURDEN FOR 1.13 MILLION THIS YEAR AND FOR 1.2 MILLION LAST. WE'VE INCREASED THE PROPORTION OF THE WORKING POPULATION WHO PAY NO TAX AT ALL BY ABOUT ONE FIFTH, TO ALMOST SIX OUT OF EVERY 10. WE'VE CUT THE PROPORTION PAYING THE FULL RATE FROM SIX PER CENT TO TWO PER CENT IN THE LAST TWO YEARS. HOW'S THAT FOR SOCIALISM? ONLY TWO PER CENT OF THE WORKING POPULATION, TWO PER CENT, PAY A TOP RATE OF TAX OF 15 PER CENT. THAT'S THE SORT OF WEALTH DISTRIBUTION THAT I AM KEEN ON, BECAUSE IT FETCHES UP DISTRIBUTING MORE WEALTH TO MORE PEOPLE.

LAST POINT ABOUT TAX AND SPENDING. IF A MARKET ECONOMY IS GOING TO SURVIVE AND CONTINUE TO PROSPER IT HAS TO SHOW THAT IT IS SOCIALLY RESPONSIBLE. IF WE SAY TO PEOPLE IN THIS COMMUNITY, WE WANT TO GO ON GROWING - BUT AS FOR YOUR AMBITIONS FOR BETTER HEALTH CARE, FOR BETTER TEACHERS, FOR A BETTER ENVIRONMENT, WELL FORGET ABOUT THEM, WE'RE GOING TO SQUIRREL ALL THE MONEY AWAY; IF WE WERE TO SAY THAT, IT WOULD BE A RECIPE FOR SOCIAL TENSION, FOR DISHARMONY, FOR UNDERMINING FAITH IN OUR ECONOMIC SYSTEM AND IN THE MORALITY AS WELL AS THE AUTHORITY OF OUR SYSTEM OF GOVERNMENT. I DON'T BELIEVE THAT THERE IS ANY COMMUNITY IN THE WORLD WHERE IT SHOULD BE EASIER TO PUT THE CASE FOR PRUDENT SPENDING, FOR ADAM SMITH AND FOR MILTON FRIEDMAN. BUT THAT REQUIRES US TO ACCEPT THAT MEN AND WOMEN ARE NOT JUST ECONOMIC VARIABLES, THEY HAVE SOCIAL AND POLITICAL - POLITICAL WITH A SMALL "P" - AMBITIONS AND HOPES WHICH WE CANNOT IGNORES.

SO, WE'VE GOT A TIP TOP ECONOMIC RECORD. BUT WE ARE NOT COMPLACENT. WE MAY BE FOURTH IN THE WORLD COMPETITIVENESS LEAGUE. HIGHER THAN ANY EUROPEAN COUNTRY. BUT WE WANT TO BE THIRD, OR SECOND, OR BEST OF ALL FIRST.

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THIS IS A COSTLY PLACE TO DO BUSINESS. WE'VE GOT INFLATION DOWN FROM 13 PER CENT AT ITS WORST. BUT IT'S STILL FAR TOO HIGH, THE UNCOMFORTABLE CONSEQUENCE OF OUR UNIQUE POSITION, AS WELL AS A RESULT OF SUSTAINED GROWTH AND FULL EMPLOYMENT.

WE'VE SUFFERED FROM CHRONIC LABOUR SHORTAGES SINCE THE 1960S AND WE'VE RESPONDED WITH THE MOST LIBERAL IMMIGRATION POLICIES IN THE REGION. IN ALMOST EVERY CASE WHERE FIRMS CAN POINT TO NEED, YOU CAN IMPORT PROFESSIONALS OR QUALIFIED STAFF. THE COMMUNITY UNDERSTANDABLY OPPOSES THE UNRESTRICTED IMPORTATION OF CHEAP LABOUR. IT IS WORRIED ABOUT THE SOCIAL COSTS, FOR EXAMPLE FOR EDUCATION AND FOR PUBLIC HOUSING. AND IT DOESN'T WANT TO RETURN TO THE DAYS WHEN THE WORLD ALLEGED THAT HONG KONG WAS JUST A SWEAT SHOP ECONOMY. NEVERTHELESS, WE WILL CONTINUE TO SUPPORT VIGOROUSLY THE EMPLOYERS' CASE TO IMPORT LABOUR UNDER CAREFULLY CONTROLLED CONDITIONS - CONDITIONS WHICH DON'T DISRUPT THE ORDERLY WORKING OF HONG KONG'S LABOUR MARKET.

WE'VE ACTED THIS YEAR ON PROPERTY PRICES. NEVER A SUBJECT TO BRAG ABOUT. BUT BY CONCENTRATING MAINLY ON THE SUPPLY SIDE OF THE EQUATION AND ON INEXCUSABLE SPECULATION, WE HAVE - I BELIEVE - DAMPENED THE MARKET SUCCESSFULLY. TO MIX MY METAPHORS, WE'RE WALKING A TIGHT-ROPE. THE LAST THING ANY OF US SHOULD WANT TO DO IS TO TURN A SLACKENING OF PRICES INTO A SLUMP. IF YOU THINK PEOPLE GET CROSS WHEN PRICES SOAR, YOU SHOULD SEE HOW THEY REACT WHEN PROPERTY PRICES PLUMMET.

SO NO COMPLACENCY ON COMPETITIVENESS, NO COMPLACENCY ON INFLATION. BUT NO EASY, OPEN AND SHUT SOLUTIONS EITHER.

SO MUCH FOR THE PAST. WHAT OF THE FUTURE?

I HAVE FOUR PRIORITIES. I'LL EXPRESS THEM TELEGRAMMATICALLY TODAY, AND I WON'T BE BUDGED FROM THEM TOMORROW OR THE DAY AFTER, OR THE DAY AFTER THAT.

FIRST, I AM OBLIGED BY TREATY, BY HONOUR, BY THE POLICY OF THE BRITISH GOVERNMENT, BY THE WILL OF ALL PARTIES AT WESTMINSTER, BUT FIRST AND FOREMOST BY OUR RESPONSIBILITIES TO THE PEOPLE OF HONG KONG, TO WORK RIGHT DOWN TO THE STROKE OF MIDNIGHT AT THE END OF JUNE 1997 FOR THE FULL IMPLEMENTATION OF THE JOINT DECLARATION - HONG KONG'S GUARANTEE OF STABILITY AND PROSPERITY.

THE JOINT DECLARATION MEANS WHAT IT SAYS. IT HAS TO MEAN WHAT IT SAYS. YOU CAN'T PICK AND CHOOSE. YOU CAN'T SAY - "WELL, I'LL TAKE THE ECONOMIC BITS AND TRADE IN THE REST". HONG KONG'S SUCCESS IS BASED NOT JUST ON THE CAPITALIST ALLOCATION OF RESOURCES, BUT ALSO ON THE RULE OF LAW, ON CLEAN, ACCOUNTABLE GOVERNMENT AND ON THE FREE INSTITUTIONS OF CIVIL SOCIETY. START TO UNPICK ANY OF THAT, AND YOU RISK WRECKING THE WHOLE OF OUR SYSTEM. FOR MOST OF OUR POPULATION, THEIR ONLY COMMUNAL INSURANCE IS THE FAITHFUL IMPLEMENTATION OF THE JOINT DECLARATION. FOR MOST, THERE IS NO FOREIGN PASSPORT IN THE BOTTOM DRAWER. SO IF I'M EVER ASKED FOR A JOB DESCRIPTION OR FOR A VISION STATEMENT, I TURN TO THE JOINT DECLARATION AND RECALL THE HOMELY ADVICE OF MARK TWAIN, OFTEN QUOTED BY HARRY TRUMAN WHEN IN DOUBT, HE SAID: "ALWAYS TRY TO DO RIGHT! THIS WILL GRATIFY SOME PEOPLE AND ASTONISH THE REST."

/SECOND, I .....

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SECOND, I AM SORRY THAT IN STANDING UP FOR THE PRINCIPLES IN THE JOINT DECLARATION, WE HAD TWO YEARS OF ARGUMENT WITH CHINA - NOT IT HAS TO BE SAID, THE FIRST ARGUMENT SINCE 1989 OR EVEN SINCE 1984. I SAY WITH ALL THE FORCE I CAN MUSTER, THAT THERE IS NO POINT IN US CONTINUING THOSE ARGUMENTS. WE HAVE DISAGREED. THAT'S A GREAT PITY. BUT THE TIME HAS COME TO CLOSE THAT CHAPTER AND TO MOVE ON. THAT IS WHAT WE INTEND TO TRY TO DO. WE HOLD OUT A HAND OF CO-OPERATION. WE DON'T THINK THAT HAS TO INVOLVE UNDERMINING THE AUTHORITY OF OUR EXECUTIVE-LED GOVERNMENT, NOR DO WE THINK IT NEED INVOLVE UNDERMINING OUR INSTITUTIONS IN HONG KONG, OR OUR WAY OF DOING THINGS. WE HAVE PROPOSED SPECIFIC MEASURES TO IMPROVE CO-OPERATION AND TO SMOOTH THE TRANSITION. MEASURES WHICH WE HOPE WILL SPEED UP THE WORK - HEAVENS, WE NEED TO DO SO - IN THE JOINT LIAISON GROUP. MEASURES WHICH WILL REASSURE PEOPLE ABOUT THE FUTURE AND AVOID ANY FALL IN CONFIDENCE IN THE NEXT TWO AND A HALF YEARS. MEASURES WHICH WILL GET THE SAR GOVERNMENT OFF TO A FLYING START. THE MEASURES WE HAVE SUGGESTED ARE NOT EXCLUSIVE. IF CHINESE OFFICIALS HAVE OTHER IDEAS, I HOPE THEY WILL PUT THEM FORWARD. WE DO NOT HAVE A MONOPOLY OF WISDOM ON THIS SUBJECT. WE ARE OPEN-MINDED - GENUINELY OPEN-MINDED - AND KEEN TO DO BUSINESS. THAT IS THE COMMON SENSE WAY FORWARD. I HOPE WE CAN TAKE IT. I AM SURE THAT WE ALL WANT TO FEEL THAT WE ARE DRIVING FORWARD ALONG A HIGHWAY, NOT BACKING UP A CUL-DE-SAC.

THIRD, OUR ECONOMIC SUCCESS AND CHINA'S ARE CLOSELY RELATED. WE HAVE BENEFITED HUGELY FROM CHINA'S ECONOMIC REVOLUTION. SO HAS THE WHOLE WORLD. AND WE'VE ALSO CONTRIBUTED TO IT. WE ARE CHINA'S LARGEST SOURCE OF FOREIGN INVESTMENT - WE ACCOUNT FOR ABOUT TWO THIRDS OF THE TOTAL.

SO CHINA'S SUCCESS IS OUR OPPORTUNITY. AND WE WILL CONTINUE - BRITAIN, I MIGHT ADD, AS WELL AS HONG KONG - TO ARGUE FOR GIVING CHINA THE PLACE IN THE WORLD ECONOMY THAT HER ECONOMIC STRENGTH TODAY AND HER POTENTIAL TOMORROW WHOLLY JUSTIFY. WE ARGUED THE CASE FOR MFN RENEWAL WITHOUT STRINGS. AND WE HAD THE CREDIBILITY THAT ENSURED WE WERE HEARD. TODAY, WE WANT TO SEE CHINA AS A FOUNDING MEMBER OF THE WORLD TRADE ORGANISATION. NOTHING LESS WILL DO.

FOURTH, I INTEND TO DO EVERYTHING I CAN TO SEE THAT HONG KONG IS IN THE BEST POSSIBLE SHAPE WHEN WE HAND OVER RESPONSIBILITY FOR ITS DESTINY IN 1997.

WE WILL ENSURE THAT OUR FINANCES CONTINUE TO BE CAREFULLY LOOKED AFTER AND THAT WE HAVE A BIG SURPLUS TO HAND OVER - A SURPLUS WHICH SOME PEOPLE SEEM TO THINK WE SHOULD APOLOGISE FOR NOW PREDICTING AT A MUCH, MUCH HIGHER LEVEL THAN WE ORIGINALLY ANTICIPATED. I MUST SAY THAT AS MISTAKES GO, THAT ONE APPEARS TO ME TO BE IN THE RIGHT DIRECTION.

/WE'LL DO .....

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WE'LL DO ALL THAT WE CAN TO GET OUR INFRASTRUCTURE IN AS GOOD CONDITION AS OUR FINANCES. I HOPE THAT WE CAN SEE AGREEMENT SOON ON OUR AIRPORT - WHICH, DESPITE THE LACK OF SIGNATURES AT THE BOTTOM OF THE PAGE, RISES MAGNIFICENTLY FROM THE SOUTH CHINA SEA. I HOPE TOO THAT WE CAN MOVE AHEAD SENSIBLY WITH THE DEVELOPMENT OF OUR PORT. HONG KONG NEEDS IT. SO DOES SOUTHERN CHINA. AND THE SOONER WE CAN GET INTO A DIALOGUE WITH OFFICIALS IN PEKING AND GUANGDONG ABOUT CO-ORDINATING OUR INFRASTRUCTURE DEVELOPMENT ON A REGIONAL BASIS THE BETTER. WE HAVE A \$30 BILLION ROAD BUILDING PROGRAMME UNDERWAY. WE WANT TO INVEST MASSIVELY IN OUR RAILWAYS, BRINGING THE NEW TERRITORIES CLOSER TO OUR URBAN HEARTLAND AND PRODUCING BETTER NORTH-SOUTH LINKS FOR OUR TRADE WITH THE NORTH. CHINESE OFFICIALS HAVE MADE CLEAR THAT THEY WANT TO GET THINGS MOVING IN THIS AREA. THEY HAVE SUGGESTED TALKS. AND WE WILL RESPOND ENTHUSIASTICALLY TO THAT.

WE'LL NATURALLY GO ON ENSURING THAT OUR POLICIES ARE BUSINESS-FRIENDLY, WHICH IN MY BOOK MEANS HONG KONG-FRIENDLY. WE DON'T INTEND TO START TRYING TO SECOND GUESS YOUR BUSINESS JUDGEMENTS. BUT WE'LL HELP WHERE WE CAN. WE'VE SET UP THE APPLIED RESEARCH AND DEVELOPMENT FUND THAT YOU ASKED FOR. WE'VE ESTABLISHED THE HONG KONG INDUSTRIAL TECHNOLOGY CENTRE. WE'RE LIBERALISING THE TELECOMMUNICATIONS MARKET. WE'RE GOING TO SET UP AN APPLIED RESEARCH CENTRE TO BRING TOGETHER OUR TERTIARY INSTITUTIONS AND THE CHINESE ACADEMY OF SCIENCE. WE'RE CUTTING RED TAPE - ABOLISHING AND SIMPLIFYING GOVERNMENT FORMS - AND WE ARE TRYING TO IMPROVE OUR SERVICE TO YOU THROUGH THE PERFORMANCE PLEDGES. WE'RE SPENDING \$300 MILLION TO RAISE STANDARDS OF PUTONGHUA AND ENGLISH IN OUR SCHOOLS. WE ARE MAKING MORE LAND AVAILABLE FOR INDUSTRIAL BUILDING. ALL THAT AND MORE, WE'LL DO TO KEEP HONG KONG BUSINESS AT THE TOP OF THE LEAGUE. OF COURSE, THE BIGGEST JOB BELONGS TO YOU. ABOVE ALL, TO GO ON OUTPERFORMING THE COMPETITION. BUT IF I MAY SAY SO, YOU'LL ALSO HAVE TO RECOGNISE THAT LIFE MOVES ON, AND WHETHER IT'S BEFORE OR AFTER 1997, HONG KONG HAS CHANGED, COME OF AGE, AND YOUR RELATIONSHIP WITH GOVERNMENT AND THE COMMUNITY HAS TO ADJUST TO THAT. FRANKLY, THAT SEEMS TO ME RATHER LESS SUBSTANTIAL AN ADJUSTMENT THAN MANY THAT YOU'VE HAD TO MAKE IN THE LAST 45 YEARS.

SO WHERE SHOULD ALL THAT LEAVE HONG KONG WHEN THE 28TH BRITISH GOVERNOR FLIES OR SAILS OFF INTO THE NIGHT ON 1ST JULY IN 990 DAYS' TIME?

I HOPE AND INTEND THAT WE SHOULD BE ABLE SAY THAT HONG KONG HAS BEEN WELL-GOVERNED TO THE END. DOES ANYONE SERIOUSLY ARGUE THAT OVER THE LAST YEAR IT HAS BEEN BADLY GOVERNED? AND I HOPE THAT THOSE RESPONSIBLE FOR OUR GOOD GOVERNMENT - THOSE CIVIL SERVANTS WHO MANAGE OUR PUBLIC SERVICES, THOSE POLICE OFFICERS WHO DEFEND THE RULE OF LAW AND WHO HAVE (WHERE ELSE HAS THIS HAPPENED?) HELPED TO CUT CRIME BY 10 PER CENT IN THE LAST DECADE (TO CUT IT - I ADD - TO BELOW SINGAPORE'S HARDLY EXCESSIVE LEVELS, AT LEAST ON THE LATEST FIGURES WE HAVE): I HOPE - I REPEAT - THAT THOSE CIVIL SERVANTS AND POLICE OFFICERS WILL BE RESOLVED TO STAY IN HONG KONG TO WRITE AN EVEN MORE SUCCESSFUL CHAPTER IN THE HISTORY OF THIS REMARKABLE COMMUNITY.

/AND I .....

AND I HOPE YOU WILL STAY AND PROSPER, TOO. YOU MADE - MANY OF YOU - YOU MADE HONG KONG. LITERALLY MADE IT. AND I THINK IT IS FAIR TO SAY THAT HONG KONG HELPED TO MAKE YOU. SO, TO BORROW A PHRASE FROM THE ROMANS, THE TOAST TO HONG KONG AND TO YOU, HAS TO BE - "AD MULTOS ANNOS" - "TO MANY YEARS" - MANY YEARS OF MARKET ECONOMICS, MANY YEARS OF DECENCY AND INTEGRITY IN GOVERNMENT AND PUBLIC LIFE, MANY, MANY YEARS OF THE RULE OF LAW. AND WITH ALL THAT WILL COME MANY YEARS OF HAPPINESS AND FULFILMENT FOR ALL THE PEOPLE OF HONG KONG.

THANK YOU VERY MUCH.

QUESTION: THE PEOPLE IN HONG KONG, PROBABLY INCLUDING OUR INTERNATIONAL FRIENDS, ARE MOSTLY BUSINESS MINDED AND OR EMPLOYMENT MINDED. THEY HAVE NO TIME FOR POLITICS. UNFORTUNATELY THE POLITICAL GAMBLING WHICH THE HONG KONG GOVERNMENT HAS BEEN INDULGING IN WITH CHINA USING HONG KONG PEOPLE AS THEIR MAIN STACK IS CAUSING CHAOS TO HONG KONG. THE FACTS ARE OPERATING COSTS OF THE BUSINESSMAN HAS BEEN SKY-ROCKETING AND THEY STANDARD OF LIVING OF THE COMMON PEOPLE IS DETERIORATING, THUS ERODING YOUR INITIAL POPULARITY, I AM SURE YOUR SUPPORTORS WOULD LIKE TO SEE THAT YOU'LL RE-GAIN YOUR POPULARITY OR EVEN AUGMENT IT. SO I WOULD APPRECIATE ANY ENCOURAGING WORDS FROM YOU ON YOUR PART ON HOW TO RECTIFY THIS SITUATION.

GOVERNOR: WELL, I HOPE YOU WON'T REGARD IT AS BEING UNCIVIL OF ME IF I SUGGEST THAT YOU MIGHT HAVE THOUGHT OF THAT QUESTION BEFORE I MADE MY SPEECH. BECAUSE, A GOOD DEAL OF MY SPEECH WAS DIRECTED TO ANSWERING SOME OF THOSE POINTS, WHICH I HAD JUST AN INKLING MIGHT COME UP DURING THIS HALF HOUR OR SO OF QUESTIONS. I MUST SAY THAT IF WHAT WE HAVE IN HONG KONG TODAY IS CHAOS, A GREAT DEAL OF THE REST OF THE WORLDS WOULD SETTLE FOR IT VERY HAPPILY, AND I DON'T KNOW

QUESTIONER: MAY I MENTION EVEN THE CAGEMEN ARE DEPRIVED AT THEIR  
.....

GOVERNOR: WELL, THIS ISN'T A PLATONIC DIALOGUE, I GET THE CHANCE OF ANSWERING YOUR QUESTION, AND I AM SURE THAT YOU WILL WANT TO GIVE MY ANSWER TO YOUR QUESTION THE CAREFUL ATTENTION WHICH I AM SURE YOU GAVE MY SPEECH. THE STANDARD OF LIVING IN HONG KONG, FAR FROM DECLINING, HAS BEEN GOING UP, SO AGAIN I AM NOT QUITE SURE THE BASIS FOR YOUR PROPOSITION. AS FOR OPERATING COSTS IN HONG KONG, AND I REFERRED TO THOSE, WHATEVER THEY MAY HAVE SOMETHING TO DO WITH, THEY DON'T HAVE ANYTHING TO DO WITH THE NATURE OF FUNCTIONAL CONSTITUENCIES IN THE 1995 LEGISLATIVE COUNCIL ELECTIONS. TWO OTHER THOUGHTS, FIRST OF ALL, WE WERE DETERMINED THAT IN THE ARGUMENT THAT ALAS RAGED OVER HOW WE COULD FIGHT CLEAN ELECTIONS HERE IN HONG KONG, IT SHOULD BE THE PEOPLE OF HONG KONG, WHO TOOK THE FINAL DECISION, WHO DECIDED WHETHER WE SHOULD GO FURTHER OR LESS FAR. THAT'S WHAT HAPPENED, IT WAS NOT A DECISION IMPOSED ON AN UNGRATEFUL OR UNRECEPTIVE ELECTORATE BY THE GOVERNMENT, WE WERE RESPONDING TO PRESSURES, PRESSURES WHICH FROM MANY PEOPLE WAS TO GO A GREAT DEAL FURTHER THAN WE WERE PREPARED TO GO BECAUSE WE WERE NOT PREPARED TO GO FURTHER THAN WAS ALLOWED IN THE JOINT DECLARATION AND THE BASIC LAW. AND FINALLY, ON POPULARITY, IT IS FOR OTHERS TO MAKE A JUDGEMENT ON WHAT IS A SATISFACTORY LEVEL OF POPULARITY, BUT WHAT I SUGGEST YOU DO, SOMETIME, IF YOU THINK THAT THE FIGURES ARE UNSATISFACTORY HERE IS TO GO AND TELL PRESIDENT CLINTON, OR THE PRIME MINISTER OF THE UNITED KINGDOM, OR MOST OTHER PRIME MINISTERS OF OECD COUNTRIES THAT 57% APPROVAL RATING IS PRETTY BAD, I THINK MOST OF THEM WOULD SETTLE STRAIGHT AWAY. - BRIGADIER.

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IAN CHRISTIE OF HONG KONG GENERAL CHAMBER OF COMMERCE: SIR, THE CHAMBER HAS OFTEN BEEN CRITICISED IN THE PAST AS BEING THE SECOND VOICE OF GOVERNMENT IN HONG KONG, SO ON THE VERY RARE OCCASIONS WHEN WE TAKE ISSUE WITH THE ADMINISTRATION ON SOME SUBJECTS I HOPE THAT OUR CRITICISM WILL BE RECEIVED IN THE CONSTRUCTIVE MANNER IN WHICH IT IS INTENDED. THE GOVERNMENT CURRENTLY IS VERY ACTIVELY PROMOTING PAY AS YOU GO UNIVERSAL SCHEME FOR THE ELDERLY UNDER ITS OLD AGE PENSION SCHEME. NOW THIS FLIES IN THE FACE OF CURRENT WORLD PRACTICE AND OPINION, INCLUDING THAT OF THE WORLD BANK, WHICH IN A RECENT REPORT ENTITLED AVERTING THE OLD AGE CRISIS, SUPPORTS PRIVATE SECTOR SAVINGS FOR RETIREMENT, AND GOVERNMENT WELFARE PAYMENTS FROM GENERAL REVENUE. WE SEEK YOUR ASSURANCE SIR, THAT THE GOVERNMENT HAS A GENUINELY OPEN MIND IN RESPECT OF ITS CHOSEN COURSE AT THE END OF THE CURRENT PERIOD OF CONSULTATION.

GOVERNOR: PEOPLE VERY OFTEN SAY WHAT WE WANT IN HONG KONG AND WHAT WE WANT TO SEE CONTINUE DESPITE THE DEVELOPMENT OF ACCOUNTABILITY, DESPITE THE PROPER DEVELOPMENT OF CHECKS AND BALANCES HERE IN THE COMMUNITY, WHAT WE WANT IS EXECUTIVE LEAD GOVERNMENT. WE WANT IN OTHER WORDS A GOVERNMENT WHICH TAKES DECISIONS, WHICH MAKES UP ITS MIND WHICH GIVES A LEAD ON ALL ISSUES INCLUDING THE MOST DIFFICULT AND CONTENTIOUS. NOW, LONG BEFORE ANYBODY HAD HEARD OF CHRISTOPHER PATTEN, THE COMMUNITY HAD BEEN DISCUSSING AND DEBATING THE QUESTION OF HOW WE COULD BEST PROVIDE FOR THE ELDERLY. I'M TOLD THAT THE SUBJECT HAS BEEN DEBATED IN THE COMMUNITY FOR THIRTY YEARS, I'M TOLD THAT SIR DAVID TRENCH USED TO HAVE A VERY INTERESTING ANECDOTE ABOUT HOW HE HADN'T BEEN ABLE TO DO WHAT HE WOULD HAVE LIKED IN RESPECT TO OLD AGE PENSIONS, BUT I BETTER LEAVE THAT TO THE THIRTY YEAR RULE, BEFORE THAT BECOMES TOO PUBLIC, SO THE ISSUE HAS BEEN DEBATED OVER AND OVER AGAIN. IN EVERY PHILOSOPHICAL SENSE I BELIEVE STRONGLY THAT WE SHOULD PROVIDE AS MUST THROUGH THE PRIVATE SECTOR AS POSSIBLE, AND THAT WE SHOULD LIMIT THE AMOUNT OF EXPOSURE THAT THE TAX PAYER HAS TO BEAR TO WELFARE SPENDING, BECAUSE I WOULD NOT WISH SEE THIS COMMUNITY GO ANYWHERE NEAR THE SORT OF WELFARE BLACKHOLE DOWN WHICH ECONOMIES ARE DISAPPEARING IN SOME OF THE OECD COUNTRIES, THAT MUST BE COMMON GROUND TO ALL OF US.

/THE QUESTION .....

THE QUESTION IS, HOW DO YOU BEST ACHIEVE THE OBJECTIVE OF PROVIDING A SAFETY WELFARE NET FOR THE ELDERLY, WITHOUT RUNNING ALL THE RISKS OF RAMPANT BANKRUPTING WELFARE TO WHICH YOU PROPERLY REFERRED TO WHICH THE WORLD BANK REFERRED, AND I AGREE WITH EVERYTHING THE WORLD BANK HAS TO SAY ON THE ISSUE. WE CONCLUDE THAT THE BEST WAY OF AVOIDING THE TAX PAYER ENDLESSLY BEING HIT FOR INCREASED WELFARE SPENDING IS TO PROVIDE FOR THE ELDERLY THROUGH A RINGFENCE SCHEME WITH SMALL CONTRIBUTIONS FROM THE EMPLOYER AND EMPLOYEE. NOW THERE ARE OTHERS WHO SAY, WE SHOULDN'T DO THAT, WE SHOULD GO ON ENCOURAGING PRIVATE PROVISION, THOUGH I THINK THE VIEW OF THE COMMUNITY WAS THAT IT WASN'T JUST ENOUGH TO ENCOURAGE IT, THAT THERE HAD TO BE SOME MANDATORY ELEMENT, BUT LEAVE THAT ON ONE SIDE, WE WILL GO ON ENCOURAGING PRIVATE PROVISION, AND AS FOR THE NEEDY ELDERLY, WE WILL MEET THEIR NEEDS THROUGH THE TAX PAYER, BUT IT STANDS TO REASON THAT AS SOON YOU ARE TALKING ABOUT MEETING THEIR NEEDS THROUGH THE TAX PAYER, YOU ARE NARROWING THE BASE OF THOSE WHO PAY THE BILL, I SAID IN MY REMARKS THAT SIX OUT OF TEN IN HONG KONG DON'T PAY TAX AT ALL, SO THE OTHER FOUR OUT OF TEN FETCH UP ON THEIR SALARY TAX SCALE RATES HAVING TO PAY THE COSTS FOR INCREASING PROVISION FOR THE ELDERLY. I NOTICED, AND I WANT TO STUDY THE SURVEY WHICH YOU PRODUCED TODAY ON ATTITUDES TO OLD-AGE PENSIONS, AND I NOTICED THAT, I THINK TWO FIFTHS OF THE ELEVEN PER CENT WHO HAD RESPONDED SAID THAT ON BALANCE THEY WOULD BE PREPARED TO PAY EXTRA TAX TO MEET THE ADDITIONAL COSTS OF WELFARE. I HAVE TO SAY THAT WHILE I THINK THAT IS AN INTERESTING FINDING I DON'T THINK I COULD BASE INCREASING TAXES ON A BASE AS NARROW AS THAT. WE WILL LOOK VERY CAREFULLY AT ANY AND EVERY THOUGHT THROUGH OPTION THAT IS PRODUCED IN THE COMMUNITY. WE CAN'T, EVEN IF WE WANTED TO, WE CAN'T SIMPLY BLAZE AWAY WITHOUT HAVING A CONSENSUS IN THE COMMUNITY, AND, LET US BE FRANK, WITHOUT HAVING THE UNDERSTANDING AND AGREEMENT OF CHINA AS WELL, BECAUSE THIS IS ALL GOING TO AFFECT ABOVE ALL WHAT HAPPENS AFTER 1997, BUT WHATEVER DECISION WE COME TO, WHAT I BEG YOU TO BELIEVE IS THAT SOONER OR LATER WE MUST COME TO A DECISION, IT'S NOT GOING TO BE ANY EASIER TO DEAL WITH IT IN 1997, OR 1998, OR 1999, AND AT THE END OF THE DAY AS WELL, I DOUBT WHETHER ANYBODY WILL COME FORWARD, THOUGH THEY MAY DO, WITH A SOLUTION WHICH RINGFENCES THE COSTS OF WELFARE PROVISION AS TIGHTLY AS WE HAVE PROPOSED IN THIS SCHEME. AT THE MOMENT ABOUT TEN PER CENT OF THE POPULATION OF HONG KONG ARE OVER 65, ANOTHER GENERATION IT WILL BE TWENTY PER CENT OVER 65, MORE AND MORE PEOPLE LIVING LONGER, THE LONGEVITY RATES IN THIS COMMUNITY, THE SECOND BEST IN THE WORLD, HOPE IT GOES FOR GOVERNORS TOO, IT CERTAINLY GOES FOR THE REST OF THE COMMUNITY. DEMOGRAPHY ITSELF, PROCLUDES PROCRASTINATION, SO I WELCOME THE CHAMBER OF COMMERCE'S CONTRIBUTION TO THE DEBATE, WE DO ALL HAVE TO THRASH OUT A SOLUTION WHICH IS ACCEPTABLE TO THE COMMUNITY, BUT THE PROBLEM IS NOT GOING TO GO AWAY, AND WHILE WE DEBATE IT MORE AND MORE PEOPLE LIVE LONGER, AND ALAS MORE AND MORE PEOPLE LIVE LONGER IN REAL NEED.

GUY CLAYTON: GOVERNOR, HAVE YOU FOUND ENVIRONMENTAL MATTERS MORE INTRACTABLE THAN YOU HAD EXPECTED WHEN YOU FIRST CAME HERE? AND ARE YOU SATISFIED WITH YOUR ADMINISTRATION'S PROGRESS IN THIS MATTER?

/GOVERNOR: .....

GOVERNOR: I THINK THE ENVIRONMENTAL CHALLENGE IS SO GREAT THAT NOBODY COULD BE SATISFIED WITH THE PROGRESS MADE. I THINK ABOUT SOME OF THE PROBLEMS THAT WE FACE HERE. I THINK ABOUT THE DIRTY AIR THAT WE BREATHE AND THE FILTHY WATER AROUND OUR SHORES. I THINK, TOO, OF THE REAL LAND USE PLANNING PROBLEMS THAT WE HAVE IN THE NEW TERRITORIES AND THAT WE HAVE TO COPE WITH AT CONSIDERABLE EXPENSE AND BY TAKING SOME TOUGH AND DIFFICULT DECISIONS OVER THE NEXT FEW YEARS. I HOPE THAT EVEN IF WE ARE NOT GOING FAST ENOUGH - AS FAST AS THE IMPERATIVE SUGGESTS IS OBLIGATORY ON US - I HOPE THAT WE ARE MAKING PROGRESS.

I THINK THAT OUR SEWAGE STRATEGY SCHEME IS THE RIGHT WAY OF STARTING TO CLEAR UP OUR WATERS THOUGH THE SECOND STAGE OF IT NEEDS TO BE PROPERLY DISCUSSED WITH CHINESE OFFICIALS BECAUSE IT WILL ONLY HAPPEN AFTER 1997 AND THERE ARE SERIOUS ENVIRONMENTAL ARGUMENTS ABOUT WHETHER THE BEST MEANS OF DISPOSAL INVOLVES INVESTMENT IN SECONDARY TREATMENT OF THE STUFF, OR WHETHER IT IS ENOUGH TO HAVE PRIMARY TREATMENT AND A LONG SEA OUTFALL. THESE ARE RATHER UNPLEASANT SUBJECTS AND I WON'T GET INTO A DISCUSSION ABOUT PLUMES. BUT I THINK THAT AT LEAST WE ARE NOW PUTTING OUR MONEY WHERE THE PROBLEM IS AND WE'RE STARTING TO SEE SOME PROGRESS.

I THINK WE'VE SEEN PROGRESS, AS WELL, IN WASTE DISPOSAL, AND I THINK WE'VE SEEN SOME PROGRESS, THOUGH THERE IS STILL A LOT FURTHER TO GO, IN CLEANING UP THE AIR. THOUGH AS YOU KNOW, IN MY LEGCO SPEECH I PROPOSED ADDITIONAL MEASURES TO DEAL WITH THE EMISSIONS FROM DIESEL ENGINES AND FROM CARS IN GENERAL.

I ALSO PUT FORWARD SOME PROPOSALS ON NOISE WHICH I HOPE WILL BE POPULAR. NOT NOISE FROM ANYTHING GENERATED BY POLITICIANS OR GOVERNORS IN HONG KONG - THOUGH I HOPE WE CAN ALL SEE A QUIETER DISCUSSION AND DEBATE OVER THE NEXT THREE YEARS - BUT NOISE FROM BUILDING SITES, AND THAT HAS IMPLICATIONS FOR THE USE OF DIESEL AS OPPOSED TO HYDRAULIC HAMMERS.

SO I DO THINK WE'VE GOT A SERIOUS AND COMPREHENSIVE PROGRAMME WORKED OUT. OF COURSE WHAT WILL HAPPEN AS WE DEVELOP OUR ENVIRONMENTAL POLICIES IS, SOME PEOPLE WILL COMPLAIN THAT WE'RE NOW REGULATING THE ECONOMY TOO MUCH, SOME PEOPLE WILL GRUMBLE ABOUT THE COSTS OF ENVIRONMENTALISM. I HAPPEN TO BELIEVE THAT THE ONLY SUSTAINABLE ECONOMIC DEVELOPMENT AT THE END OF THIS CENTURY AND THE BEGINNING OF THE NEXT HAS TO BE ENVIRONMENTALLY-FRIENDLY DEVELOPMENT. SO THE SOONER WE CAN FACE UP, WITH ALL OUR RESOURCEFULNESS, TO THAT PROBLEM, THE BETTER.

GOVERNOR: THE BEST JAZZ BAND IN HONG KONG.

QUESTION: THANK YOU, MR PATTEN, FOR THE FREE ADVERTISING. SO I DON'T HAVE TO INTRODUCE MYSELF - MY NAME IS JOOP LITMAATH, I'M A MUSICIAN, AND IN MY SPARE TIME I WORK A LITTLE BIT FOR THE CHAMBER.

GOVERNOR, I DID THE SAME AS THE FIRST GENTLEMAN WHO ASKED YOU A QUESTION, I PREPARED A QUESTION BEFORE YOU CAME IN BUT CONTRARY TO WHAT HE DID, I LISTENED TO YOUR SPEECH FIRST. AND I NOTICED THAT YOU DID ADDRESS THE LABOUR SHORTAGE - AS YOU DID IN YOUR POLICY ADDRESS - YOU REFERRED TO THE NEED TO IMPORT ON A LIMITED AND CONTROLLED BASIS, AND THAT FOREIGN WORKERS NEEDED TO OVERCOME THE MOST ACUTE BOTTLENECK IN OUR LABOUR MARKET. THAT IS THE STRONG FEELING OF THE CHAMBER.

APART FROM THE CONSTRAINTS ON ECONOMIC GROWTH CAUSED BY THE CHRONIC LABOUR SHORTAGE, WHICH IS RIGHTLY ACKNOWLEDGED, MANY ECONOMISTS BELIEVE THAT THE ACUTE LABOUR SHORTAGE IS A PRIMARY CAUSE BOTH DIRECTLY AND INDIRECTLY OF INFLATION. THESE ARE NOT MY WORDS, I HAVE BEEN ASKED TO SAY THESE THINGS. BUT NOW I WILL ADD A FEW THINGS.

GOVERNOR: I KNOW THE FEELING - I QUITE OFTEN HAVE IT.

QUESTION: I WISH WE COULD PLAY SOME MUSIC TOGETHER THEN!

YOU DO ALLOW, GOVERNOR, TO LET - AND BY NOW THE LATEST FIGURE IS 110,000 - FILIPINA DOMESTIC SERVANTS TO COME TO HONG KONG. ON THE OTHER HAND YOU DO RESTRICT ONLY 32,000 FOREIGN WORKERS, WHICH IS ABOUT ONE PER CENT OF THE WORKFORCE, TO COME HERE. THIS BARELY SCRATCHES THE SURFACE OF THE PROBLEM. THE GOVERNMENT'S 'JOB RETRAINING SCHEME' HAS RETRAINED, INDEED, 30,000 WORKERS BUT THE CHAMBER FEELS, UNFORTUNATELY, THAT THE JOB SUCCESS RATE IS STILL PRETTY LOW.

ONE SUGGESTION, SIR, IF I MAY: WE DO NOT ALWAYS WANT TO LISTEN TO WHAT SINGAPORE HAS TO TELL US, BUT MAYBE HERE IS ONE FOR YOU TO CONSIDER. WHY WILL NOT THE GOVERNMENT AGREE TO LOOK AT A SCHEME SIMILAR TO THE MARKET ORIENTATED SINGAPOREAN LABOUR IMPORT SCHEME AS PROBABLY THE MOST EFFECTIVE MEANS CURRENTLY AVAILABLE OF REDUCING CONSTRAINTS ON ECONOMIC GROWTH AND INFLATION? FOR YOUR INFORMATION, ON A COMPARATIVE BASIS, SINGAPORE IMPORTS RIGHT NOW APPROXIMATELY 250,000 WORKERS. IF YOU WOULD MULTIPLY HONG KONG'S LARGER POPULATION BY THAT, THEN UNDER THE SAME SCHEME HONG KONG WOULD BE ABLE TO IMPORT ABOUT 575,000.

I'M SORRY, GOVERNOR, FOR THE LENGTHINESS OF MY QUESTION, BUT YOU KNOW MUSICIANS, IF THEY ARE NOT GOOD ENOUGH THEY RATHER TALK THAN PLAY. THANK YOU VERY MUCH.

GOVERNOR: THANKS VERY MUCH. CAN I SAY A COUPLE OF THINGS ABOUT LABOUR SHORTAGE BUT FIRST OF ALL, IN ORDER TO JUST OFFER A LITTLE CONTROVERSIAL INTRODUCTION, SAY THAT I AM GLAD YOU MENTIONED THOSE FILIPINA WORKERS BECAUSE I'VE BEEN THINKING ABOUT THEM A BIT RECENTLY. THEY DO MAKE A CONSIDERABLE CONTRIBUTION TO OUR COMMUNITY AND I DO SOMETIMES WONDER WHY THOSE WHO ARE PERFECTLY HAPPY TO LET FILIPINOS LOOK AFTER THEIR CHILDREN SEEM MORE RELUCTANT TO WORK TO PROVIDE SOMEWHERE FOR THEM TO GO ON THEIR DAYS OFF. I THINK THAT WE SHOULD BE LOOKING MORE IMAGINATIVELY AS A COMMUNITY, WHICH WE HAVE BEEN TRYING TO DO IN GOVERNMENT, TO FIND THEM FACILITIES ON SUNDAYS AND OTHER PUBLIC HOLIDAYS.

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HONG KONG, AS I SAID IN MY SPEECH, HAS SUFFERED FROM CHRONIC LABOUR SHORTAGES FOR OVER 30 YEARS AND IT IS INTERESTING TO SEE HOW THAT HAS AFFECTED BOTH CHANGES IN OUR LABOUR MARKET AND INFLATION. IN FACT IT'S INTERESTING TO LOOK AT THE ACTUAL INCREASE IN THE LABOUR MARKET IN THE LAST COUPLE OF YEARS AGAINST THAT BACKGROUND OF A TIGHT MARKET. IN 1992 THE NUMBER OF PEOPLE IN OUR LABOUR MARKET ACTUALLY FELL. IN 1993 IT INCREASED BY, I THINK JUST UNDER THREE PER CENT, ABOUT 2.9 PER CENT. IN THE FIRST HALF OF THIS YEAR THE NUMBER IN OUR LABOUR MARKET WENT UP BY ALMOST THREE-AND-A-HALF PER CENT. SO EVEN THOUGH WE WERE EXPANDING, UNEMPLOYMENT DIDN'T MOVE, IT STAYED ABOUT THE SAME, AND I DON'T THINK THERE WAS ANY DIRECT IMPACT ON TIGHTNESS OR LABOUR COST PUSH INFLATION IN THE LAST 18 MONTHS OR SO BUT THAT IS BECAUSE, SURPRISINGLY, GIVEN THE LONGER HISTORICAL TREND, THE NUMBER IN OUR LABOUR MARKET HAS ACTUALLY BEEN GOING UP FOR THE LAST 18 MONTHS.

WE DO HAVE SPECIFIC SCHEMES WHICH ARE DIRECTED, OF COURSE, TO TRYING TO MEET PARTICULAR LABOUR SHORTAGES. WE HAVE THE GENERAL IMPORTATION SCHEME, WE HAVE PARTICULAR SCHEMES WHEN WE HAVE A BIG PROJECT LIKE THE AIRPORT, AND WE'VE INTRODUCED, AS YOU WILL KNOW, A PARTICULAR SCHEME TO BRING THE GRADUATES OF CHINESE TERTIARY INSTITUTIONS DOWN TO HONG KONG TO DO PARTICULAR JOBS. AND I THINK THAT SCHEME HAS ALREADY BEGUN TO WORK AND WORK SUCCESSFULLY AND I HOPE WE'LL BE ABLE TO DO MORE IN THE FUTURE.

WE'VE ALSO ATTEMPTED TO INCREASE SUBSTANTIALLY OUR INVESTMENT IN TRAINING AND RETRAINING IN ORDER TO MAKE THE BEST USE OF THE SKILLS THAT WE ACTUALLY HAVE. I VERY MUCH DOUBT WHETHER IT WILL BE POSSIBLE IN THE FUTURE TO ABANDON ANY RESTRICTIONS ON THE IMPORT OF LABOUR, I THINK THE COMMUNITY WOULD FIND THAT EXTREMELY DIFFICULT. BUT IF THERE ARE GOOD IDEAS ELSEWHERE, SUCH AS IN SINGAPORE, WHICH WE SHOULD CONSIDER, THEN I'M SURE THAT WE WILL NEED, BECAUSE OF THE CONTINUING PROBLEMS OF LABOUR SHORTAGE, TO LOOK AT THEM. AND JUST AS I'M SURE SINGAPORE LEARNS FROM US FROM TIME TO TIME, SO WE MAY BE ABLE TO LEARN FROM THEM TOO.

SPEAKER: GOVERNOR, THANK YOU FOR COMING TODAY AND SHARING SOME OF YOUR THOUGHTS WITH US - FORCEFULLY AND OPENLY. AND I AM SURE I'M SPEAKING FOR MANY OF MY COLLEAGUES IN THE BUSINESS COMMUNITY, THAT WE AS MUCH AS YOU WOULD LIKE TO SEE THE FOUR POINT DECLARATION THAT YOU JUST MADE, MATERIALIZE.

AND AS A GESTURE OF OUR APPRECIATION OF YOU COMING TODAY, CAN I ASK WILLIAM ALSO TO COME UP AND WE WOULD LIKE TO GIVE YOU A SMALL MEMENTO.

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## TRANSCRIPT OF REMARKS BY FINANCIAL SECRETARY

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FOLLOWING IS THE TRANSCRIPT OF THE REMARKS BY THE FINANCIAL SECRETARY, SIR HAMISH MACLEOD, FOLLOWING THE LUNCHEON HOSTED BY THE INDIAN CHAMBER OF COMMERCE TODAY (FRIDAY):

GOOD AFTERNOON,

AS YOU KNOW, I WAS REALLY TAKING THIS CHANCE - AHEAD OF THE APEC MEETING IN NOVEMBER - TO SET OUT WHAT THE MAIN ISSUE IS LIKELY TO BE AND THAT IS, THE CHALLENGE WHICH THE REPORT DONE BY THE EMINENT PERSONS, WHICH IS POSED TO US, IS WHETHER THE MEMBERS OF APEC CAN AGREE TO MOVE TOWARDS FREE TRADE AND TO ACHIEVE THAT AIM BY 2020. SO IT'S A BIG ISSUE. IT WILL NOT BE EASY TO RESOLVE BUT WHAT I'VE BEEN SAYING IS, I AM REASONABLY OPTIMISTIC - I'M REASONABLY OPTIMISTIC THAT WE CAN MAKE SOME PROGRESS AT THE MEETING IN NOVEMBER, EVEN IF THE DETAILS HAVE TO BE SORTED OUT AT A LATER DATE. QUESTIONS?

QUESTION: THE PRE-SALE OF THE BAYSHORE TOWERS IN MA ON SHAN HAS BEEN OVER-SUBSCRIBED BY MORE THAN 30 TIMES. DO YOU THINK THAT AFTER THE CONSOLIDATION THE PROPERTY PRICES .... ?

FS: WELL, I HOPE NOT. I MEAN I DON'T THINK I CAN TELL FROM ONE OR TWO SPECIFIC SALES. AND ACTUALLY, WE'RE WATCHING, OF COURSE, PRICES, WE'RE WATCHING THE NUMBER OF TRANSACTIONS, AND TO SOME EXTENT ALSO THE RENTAL SIDE WHICH TENDS TO LAG THE PURCHASE PRICE. AND AS YOU KNOW FROM FIGURES WHICH HAVE BEEN PRODUCED OVER THE LAST TWO OR THREE MONTHS, THE NUMBER OF TRANSACTIONS IS STILL RUNNING WELL BELOW THE LEVEL LAST YEAR, SO I THINK THAT'S ENCOURAGING - BUT WE'LL HAVE TO KEEP MONITORING THIS.

QUESTION: WHEN CAN WE EXPECT AN AGREEMENT ON THE CAPPING OF DEBT LEVELS OF THE AIRPORT AND THE RAIL-LINK?

FS: WELL, IT'S A BRAVE MAN WHO IS WILLING TO FORECAST EXACTLY WHEN WE'LL REACH AGREEMENT BECAUSE THIS HAS, AFTER ALL, BEEN GOING ON FOR AN AWFUL LONG TIME. BUT WE WILL CARRY ON DOING OUR BEST - I KNOW THAT THE CONTACTS ARE CONTINUING ON THE WHOLE AIRPORT ISSUE - WE WILL CARRY ON DOING OUR BEST, BUT I'M NOT GOING TO MAKE A FORECAST.

QUESTION: WHAT'S THE PROGRESS?

FS: NOR AM I GOING TO TRY AND DETAIL DAY BY DAY WHAT THE PROGRESS IS. THE TEST IS WHETHER WE CAN REACH AGREEMENT SOON AND WE WILL DO OUR BEST TOWARDS THAT BUT I'M NOT GOING TO FORECAST A TIME.

QUESTION: YOU HAVE SAID THAT THE CT9 MUST BE BUILT. HAVE YOU FOUND ANY SOLUTION TO TACKLE THE PROBLEM NOW?

FS: I'M AFRAID MY ANSWER IS THE SAME AS IT WAS ABOUT TWO DAYS AGO, THAT I AM NOT AWARE OF ANY SOLUTION TO THAT BUT WE WILL KEEP HOPING AND AT THE SAME TIME WE WILL KEEP ON CONSIDERATION OF HOW BEST TO PROCEED QUICKLY WITH CT10 AND 11.

QUESTION: IS IT NECESSARY FOR THE GOVERNMENT TO RECONSIDER THE IMPLEMENTATION OF THE SECOND STAGE OF THE ANTI-SPECULATION MEASURES?

/FS: .....

FS: I DON'T THINK - YET. I DON'T THINK SO YET. I THINK THE INITIAL REACTION OF THE PROPERTY MARKET, TO OUR MEASURES -AND OF CONSUMERS OF COURSE - WAS QUITE ENCOURAGING. I MEAN BY THAT THE TWO THINGS I MENTIONED EARLIER: THE TRANSACTIONS HAVE GONE DOWN AND OF COURSE PRICES HAVE GONE DOWN AROUND 10 TO 15 PER CENT. WE WERE NOT TRYING TO HAVE A RADICAL REACTION IN THE PROPERTY MARKET. SO, WE WILL HAVE TO KEEP AN EYE ON IT.

QUESTION: HAS THE GOVERNMENT DECIDED HOW IT WILL TENDER OUT THE CT10 AND 11 CONTRACTS?

FS: NO, WE HAVE NOT YET MADE A DECISION ON THAT. - ONE MORE QUESTION, YES.

QUESTION: A NEWSPAPER REPORTED THAT DONALD TSANG WILL BE THE NEXT FINANCIAL SECRETARY AND DO YOU THINK HE IS THE BEST PERSON TO GET THE POST?

FS: YES, I READ ALL THIS SPECULATION WITH GREAT INTEREST, BUT OF COURSE I'M NOT GOING TO COMMENT ON IT. THANK YOU VERY MUCH.

QUESTION: CAN I ASK A QUESTION ABOUT APEC?

FS: YES, ASK ME A QUESTION ABOUT APEC. VERY WELCOME, YES.

QUESTION: YOU MENTIONED THAT THERE WERE PEOPLE MAKING NOISES ABOUT NOT HAVING FREE TRADE MEASURES. CAN YOU TELL US WHO IS MAKING NOISES AND WHAT THE NOISES ARE?

FS: NO, I'M CERTAINLY NOT GOING TO SAY WHO BECAUSE, AFTER ALL, AGAIN MY AIM IN THIS, AS IN OTHER ISSUES, IS TO TRY AND REACH AGREEMENT NOT TO MAKE IT MORE DIFFICULT. BUT I'M JUST SOUNDING A LITTLE NOTE OF REALISM HERE THAT, AS I'VE SAID, IT IS EASIER FOR PLACES LIKE HONG KONG TO ADOPT THIS TARGET THAN FOR SOME OTHERS. THERE WILL BE A LOT OF SPECIAL PLEADING AS WE GET INTO THE DETAILS AND OUR AIM WILL BE TO TRY AND RESIST AN ENDLESS LIST OF EXCEPTIONS AND QUALIFICATIONS EMERGING, WHICH WILL REALLY MAKE FREE TRADE NOT FREE TRADE AT ALL. THAT'S OUR WORRY, THAT WE END UP WITH SOMETHING CALLED FREE TRADE THAT ISN'T.

QUESTION: DO YOU EXPECT THERE WILL BE ANY CONCRETE RESULTS FROM APEC?

FS: I AM CAUTIOUSLY HOPEFUL THAT THERE WILL BE A RESULT - AT LEAST BROAD AGREEMENT ON THE TARGET AND THEN PERHAPS REMITTING THE DETAIL TO BE SORTED OUT BY TRADE MINISTERS. I MEAN I THINK THAT'S QUITE A LIKELY SCENARIO. THANK YOU VERY MUCH AGAIN.

## SPEL OUTLINES POLICY COMMITMENTS

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FOLLOWING IS THE SPEAKING NOTES OF THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, TODAY (FRIDAY) ON HIS POLICY COMMITMENTS:

MY POLICY COMMITMENTS COVER THREE AREAS AT PRESENT. THEY ARE: MANAGING HONG KONG'S LAND RESOURCES, PROTECTING THE ENVIRONMENT AND HOUSING. THE LAST ONE WILL BE TAKEN OVER BY THE SECRETARY FOR HOUSING ASSUMING THE POST WILL BE CREATED LATER THIS YEAR. HOUSING IS AN IMPORTANT ISSUE AFFECTING THE QUALITY OF LIFE OF MOST HONG KONG PEOPLE. IT DESERVES THE FULL TIME ATTENTION OF A POLICY SECRETARY.

IN GENERAL, IF YOU LOOK AT THE ADDRESS, THE PROGRESS REPORT, THE LEGISLATIVE PROGRAMME, THE POLICY COMMITMENTS AND OTHER RELATED DOCUMENTS FOR EXAMPLE ENVIRONMENT WHITE PAPER REVIEW, REPORT OF TASK AND LAND SUPPLY AND PROPERTY PRICES, YOU HAVE A PICTURE OF EXTENSIVE PROGRAMMES ACROSS A WIDE RANGE OF INTER-RELATED ACTIVITIES. I WILL ELABORATE BRIEFLY AND THEN TAKE QUESTIONS.

## A. MANAGING HONG KONG'S LAND RESOURCES

I WILL SAY A LITTLE ABOUT THREE PARTICULAR ITEMS UNDER THIS HEADING: FIRST, BUILDING SAFETY. THE DEATHS AND INJURIES CAUSED BY THE COLLAPSE OF A WALL UNDER DEMOLITION AT NATHAN ROAD ON SEPTEMBER 9 AND A FALLEN CANOPY IN ABERDEEN ON AUGUST 1 AGAIN FOCUSED PUBLIC ATTENTION ON THE QUESTION OF BUILDING SAFETY. THE DIRECTOR OF BUILDINGS AND I HAVE BRIEFED THE LAND AND WORKS PANEL ON THE ADMINISTRATION'S FOLLOW-UP ACTIONS. WITHOUT GOING INTO DETAIL AGAIN, I WISH TO REPEAT SOME OF THIS.

- (A) WE ARE SEEKING EXTRA RESOURCES TO SET UP A TEAM OF PERMANENT STAFF SO AS TO PUT DEMOLITION SITES UNDER REGULAR MONITORING BY BUILDING AUTHORITY STAFF. IN THE MEANTIME, STAFF HAVE BEEN RE-DEPLOYED FROM OTHER AREAS FOR THIS PURPOSE.
- (B) WE HAVE ALREADY ISSUED NEW PRACTICE NOTES TO AUTHORIZED PERSONS AND REGISTERED CONTRACTORS TO TIGHTEN UP EXISTING PROCEDURES. WITHIN THE LIMITS OF PRESENT POWERS, WE HAVE IMPOSED MORE STRINGENT SAFETY CONDITIONS ON FUTURE DEMOLITIONS.
- (C) WE ARE URGENTLY REVIEWING THE BUILDINGS ORDINANCE AND REGULATIONS TO STRENGTHEN THE BUILDING AUTHORITY'S CAPABILITY TO MONITOR DEMOLITION SITES. AT THE SAME TIME, WE ALSO NEED TO STRENGTHEN THE ROLE OF THE AUTHORIZED PERSONS, REGISTERED STRUCTURAL ENGINEERS AND REGISTERED CONTRACTORS.

SECONDLY, THE TERRITORIAL DEVELOPMENT STRATEGY REVIEW. THE PRIMARY GOAL OF THE REVIEW IS TO ESTABLISH A BROAD, LONG TERM LAND USE-TRANSPORT-ENVIRONMENTAL PLANNING FRAMEWORK WITHIN WHICH THE NECESSARY LAND AND INFRASTRUCTURE CAN BE PROVIDED, HAVING REGARD TO RESOURCE AVAILABILITY, TO ENABLE HONG KONG TO CONTINUE TO GROW AS A REGIONAL AND AN INTERNATIONAL CITY AND BECOME A BETTER PLACE IN WHICH TO LIVE AND WORK.

ONE IMPORTANT CONSIDERATION IN THE REVIEW IS THE OBVIOUS DESIRABILITY OF ACHIEVING COMPLEMENTARITY WITH THE DEVELOPMENT OF OUR ECONOMIC HINTERLAND AS FAR AS POSSIBLE. IN THIS CONNEXION, WE HAVE ALREADY MADE CONTACT WITH OUR PLANNING COUNTERPARTS IN GUANGDONG OVER THE PAST TWO YEARS TO SHARE THINKING ON MATTERS OF MUTUAL CONCERN, SUCH AS CROSS-BORDER TRANSPORT LINKS, ENVIRONMENTAL CONDITIONS IN DEEP BAY AND INFRASTRUCTURAL PROJECTS. WE WILL BE BUILDING ON THESE CONTACTS IN THE IMMEDIATE FUTURE.

WE HAVE ALSO ASSESSED THE VIEWS OF THE COMMUNITY THROUGH A PUBLIC CONSULTATION EXERCISE MOUNTED IN LATE LAST YEAR. A REPORT SUMMARISING THE MAIN POINTS AND SUGGESTIONS CONTAINED IN INDIVIDUAL SUBMISSIONS WITH THE RESPONSES OF THE ADMINISTRATION HAS BEEN PREPARED.

AFTER THREE YEARS' WORK, THE REVIEW IS REACHING ITS CONCLUDING STAGES. THE COMMENTS RECEIVED THROUGH PUBLIC CONSULTATION AND VIEWS GATHERED THROUGH OUR CONTACTS WITH GUANGDONG WILL ASSIST US IN FORMULATING THE STRATEGY. I EXPECT OUR PROPOSALS ON THE STRATEGY TO BE READY FOR PRESENTATION IN EARLY 1995.

THIRDLY, THE MAI PO MARSHES. THIS IS AN AREA OF INTERNATIONAL SIGNIFICANCE. WE ARE CURRENTLY CONSIDERING DESIGNATING IT A "WETLAND OF INTERNATIONAL IMPORTANCE ESPECIALLY AS WATERFOWL HABITAT" UNDER THE RAMSAR CONVENTION. TO TAKE THIS PROPOSITION FORWARD, WE HAVE SET UP AN INTER-DEPARTMENTAL WORKING GROUP TO STUDY THE VARIOUS ISSUES INVOLVED, INCLUDING OPTIONS AS REGARDS BOUNDARIES AND MANAGEMENT AS WELL AS THEIR RESOURCE IMPLICATIONS. THE WORKING GROUP HAS RECENTLY COMPLETED ITS ASSESSMENT AND IDENTIFIED A NUMBER OF PROBLEMS, INCLUDING THE QUESTION OF RESOURCES, WE WILL NEED TO RESOLVE. WHEN READY WE WILL CONSULT THE PUBLIC ON THE MATTER.

#### B. PROTECTING THE ENVIRONMENT

OVER THE LAST YEAR OR SO, WE HAVE RELEASED FOR PUBLIC INFORMATION, FOR PUBLIC EDUCATION, AND INDEED FOR PUBLIC ACTION, A WIDE RANGE OF REPORTS, REVIEWS, BRIEFS, ADVISORY NOTES, AND APIS, ON THE ENVIRONMENT. IN THIS WAY WE HAVE SOUGHT TO CEMENT IN PLACE ONE OF THE KEY FOUNDATION STONES FOR A CLEANER, GREENER HONG KONG - SOLID PUBLIC INFORMATION ON THE ENVIRONMENT. REINFORCING OUR EFFORTS ARE PUBLICATIONS FROM THE GREEN GROUPS, FROM THE ENVIRONMENTAL CAMPAIGN COMMITTEE, FROM THE ENVIRONMENT DIVISION OF THE HONG KONG PRODUCTIVITY COUNCIL, AND FROM THE PRIVATE SECTOR COMMITTEE ENVIRONMENT CENTRE, TO NAME JUST SOME OF THE NON-GOVERNMENT SOURCES.

OUR GOALS IN PROTECTING THE ENVIRONMENT ARE CLEAR:

- WE MUST CORRECT PAST ABUSE;
- WE MUST PREVENT FUTURE ABUSE; AND
- WE MUST PROMOTE ENERGY EFFICIENCY AND CONSERVATION.

/ALL OUR .....

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ALL OUR PROGRAMMES REFLECT THESE GOALS. THESE PROGRAMMES, ESPECIALLY THAT SET OUT IN THE 1989 WHITE PAPER ON THE ENVIRONMENT AND THE STATUTORY WASTE DISPOSAL PLAN, HAVE A 10-YEAR TIME FRAME. THEY ARE IN EFFECT ACTION PLANS, PLANS AIMED NOT SO MUCH AT DEBATING POLLUTION, BUT ABATING POLLUTION. THIS IS A POINT, I FEEL, THAT MERITS SOME EMPHASIS SINCE I DETECT A TENDENCY IN SOME QUARTERS TO WISH TO DISCUSS AND REVIEW INDEFINITELY WITH APPARENTLY LITTLE REGARD TO THE NEED TO ACTUALLY DO SOMETHING WITHIN A REASONABLE TIME. NEVERTHELESS, I AM GLAD TO SAY THAT WE ARE WELL ADVANCED WITH MANY OF OUR PROGRAMMES AND PLANS, ESPECIALLY IN THE AREAS OF SOLID AND CHEMICAL WASTE DISPOSAL.

MORE REMAINS TO BE DONE, ESPECIALLY IN THE AREAS OF CURTAILING WATER AND AIR POLLUTION. OUR PRIORITIES ARE THEREFORE TO TACKLE THESE ISSUES AS SOON AS POSSIBLE, TO PLAN AGAINST POLLUTION, TO BROADEN THE COMMUNITY'S KNOWLEDGE AND SYMPATHY FOR THE ENVIRONMENT. WE WILL ALSO CONTINUE THE TASK OF MAKING HONG KONG A QUIETER PLACE.

HOWEVER, WE ARE NOT CONCENTRATING SOLELY ON POLLUTION PAST. WE WILL, ALSO BE, EXAMINING HOW THE CONCEPT OF "SUSTAINABILITY" CAN BE APPLIED TO GOVERNMENT PROGRAMMES AND POLICIES IN THE WIDER CONTEXT. IN THIS WAY, WE WILL TRY TO MOVE FORWARD ON TWO FRONTS - CLEANING UP THE LEGACY OF THE PAST, AND PREVENTING FUTURE PROBLEMS.

#### C. HOUSING

LET ME NOW TURN TO HOUSING. PROPERTY PRICES HAVE MODERATED SINCE APRIL THIS YEAR. IT IS NOT SURPRISING, THEREFORE, TO SEE AN INCREASE IN THE LEVEL OF INTEREST AMONG POTENTIAL HOME BUYERS IN ENTERING THE MARKET TO TAKE ADVANTAGE OF THE LOWER PRICES, ESPECIALLY IN GOOD QUALITY DEVELOPMENTS. THE SITUATION IS HEALTHY FOR THE LONG-TERM DEVELOPMENT OF THE PROPERTY MARKET AND IS CONSISTENT WITH OUR OBJECTIVE OF MAKING HOME OWNERSHIP POSSIBLE FOR MORE PEOPLE THROUGH ADEQUATE SUPPLY. WE HAVE LONG RECOGNISED THAT THERE IS A STRONG UNDERLYING DEMAND FOR HOUSING AND HOME OWNERSHIP IN HONG KONG, AND WE ARE WORKING HARD TO INCREASE SUPPLY TO MEET THE DEMAND.

ON LAND SUPPLY, IT IS OUR AIM TO GRANT ANOTHER 15 HA OF LAND IN 1994/95 SO AS TO PRODUCE APPROXIMATELY 12,000 MORE FLATS. TO THIS END A SUPPLEMENTARY LAND DISPOSAL PROGRAMME HAS BEEN SUBMITTED TO THE CHINESE SIDE OF THE LAND COMMISSION. WE HAVE RECEIVED SOME QUESTIONS FROM THE CHINESE SIDE WHICH SHOWS THAT THEY ARE STUDYING THE PROBLEM. THIS IS ENCOURAGING AND WE HOPE THE LAND COMMISSION WILL MEET SOON.

IN THE MEANTIME, WE ARE PRESSING AHEAD WITH THE NECESSARY GROUND WORK, SUCH AS CHANGE OF LAND USE AND PREPARATION OF LAND GRANT CONDITIONS, AS FAR AS POSSIBLE SO AS TO ENABLE THE SITES TO BE DEVELOPED AFTER LAND COMMISSION APPROVAL.

ON SPECULATION, THE GENERAL PERCEPTION IS THAT SPECULATORS ARE STILL IN RETREAT FROM THE MARKET. TWO INDICATORS WHICH THE TASK FORCE HAS USED TO GAUGE THE EXTENT OF SPECULATION SUPPORT THIS VIEW.

/(A) VACANCY .....

## (A) VACANCY POSITION

RATING AND VALUATION DEPARTMENT CARRIED OUT ANOTHER VACANCY SURVEY AT THE END OF AUGUST TO UPDATE THE POSITION IN RESPECT OF THE PREMISES COVERED IN THE APRIL SURVEY. AT THE TIME, 1,803 FLATS COMPLETED IN 1992, AND 7,099 IN 1993, WERE FOUND TO BE VACANT.

THE LATEST SURVEY SHOWED THAT 48 PER CENT OF THE 1992 FLATS FOUND VACANT IN APRIL HAD BEEN OCCUPIED. THE REDUCTION WAS SIGNIFICANT FOR A FOUR-MONTH PERIOD. OF THE 925 UNITS WHICH REMAINED VACANT, 177, OR 19 PER CENT, WERE BEING LET OR SOLD BY DEVELOPERS. OVER 75 PER CENT (706 UNITS) OF THE VACANT FLATS ARE IN TUEN MUN, YUEN LONG, FANLING, SHEUNG SHUI AND TIN SHUI WAI.

IN THE CASE OF THE FLATS SUPPLIED IN 1993, THE VACANCY RATE FELL BY 38 PER CENT FROM 7,099 TO 4,256 UNITS. OVER HALF (51.5 PER CENT) OF THE VACANT UNITS WERE HELD BY DEVELOPERS, EITHER FOR SALE OR LETTING. AGAIN, A LARGE MAJORITY OF THE VACANT UNITS (3,563 OR 83.7 PER CENT) WERE IN NORTHWEST NEW TERRITORIES.

## (B) SHORT-TERM RESALES

WE HAVE ALSO BEEN MONITORING THE STATISTICS ON SHORT-TERM RESALE OF FLATS. THE NUMBER OF SUCH TRANSACTIONS HAS DECLINED FROM OVER 3,000 IN APRIL 1994 TO JUST OVER 1,000 IN AUGUST 1994. PROFITS FROM RESALE ALSO DROPPED BY HALF, FROM AN AVERAGE OF \$1.12 M PER CASE IN APRIL TO \$0.58 M IN AUGUST. IN SOME CASES, PROPERTIES WERE SOLD AT A LOSS.

TO POTENTIAL HOMEBUYERS, MY ADVICE IS THE SAME AS BEFORE. THERE IS NO NEED TO RUSH INTO THE MARKET IF YOU DO NOT HAVE AN IMMEDIATE HOUSING NEED. THERE ARE STILL THOUSANDS OF VACANT UNITS MANY OF WHICH WILL COME ONTO THE MARKET, MANY OF WHICH WILL COME ONTO THE MARKET, PROBABLY ONCE SPECULATORS REALIZE THERE IS LITTLE PROSPECT OF A QUICK RETURN. AS I HAVE SAID BEFORE, WOULD-BE HOMEBUYERS WHO REFUSE TO BE STAMPEDED INTO ACTION BY SEDUCTIVE MARKETING CAN HAVE A SIGNIFICANT INFLUENCE ON PROPERTY PRICES.

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## LAND REGISTRY RELEASES FIGURES FOR SEPTEMBER 1994

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THE NUMBER OF SALE AND PURCHASE AGREEMENTS FOR RESIDENTIAL AND NON-RESIDENTIAL BUILDING UNITS RECEIVED FOR REGISTRATION IN THE LAND REGISTRY LAST MONTH WAS 7,651, REPRESENTING AN INCREASE OF 20.4 PER CENT OVER THE PREVIOUS MONTH.

HOWEVER, THERE WAS A DECREASE OF 15.2 PER CENT COMPARED WITH SEPTEMBER 1993.

THE TOTAL CONSIDERATION OF THE AGREEMENTS AMOUNTED TO \$23.2 BILLION, UP 12.6 PER CENT BUT DOWN 5.8 PER CENT COMPARED WITH THE AMOUNTS FOR AUGUST 1994 AND SEPTEMBER 1993 RESPECTIVELY.

/THE FIGURES .....

THE FIGURES ARE CONTAINED IN THE MONTHLY STATISTICS RELEASED TODAY (FRIDAY) BY THE LAND REGISTRY ON DEEDS RELATING TO PROPERTY TRANSACTIONS RECEIVED FOR REGISTRATION IN THE URBAN AND NEW TERRITORIES LAND REGISTRIES LAST MONTH.

RELEVANT STATISTICS FOR AUGUST 1994 AND SEPTEMBER 1993 WERE PROVIDED FOR COMPARISON. FIGURES ON SALE AND PURCHASE AGREEMENTS RECEIVED FOR THE PAST 12 MONTHS AND THE YEAR-ON-YEAR RATE OF CHANGE WERE ALSO RELEASED.

THESE STATISTICS GENERALLY RELATE TO LAND TRANSACTIONS EXECUTED UP TO FOUR WEEKS PRIOR TO THEIR SUBMISSION FOR REGISTRATION, AS THERE IS USUALLY A TIME LAG BETWEEN THE EXECUTION OF DEEDS AND THEIR LODGMENT FOR REGISTRATION.

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BILL TO PROHIBIT SEX DISCRIMINATION ANNOUNCED

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A BILL TO OUTLAW SEX DISCRIMINATION AND SEXUAL HARASSMENT AND TO PROVIDE FOR THE ESTABLISHMENT OF AN EQUAL OPPORTUNITIES COMMISSION WAS GAZETTED TODAY (FRIDAY).

INTRODUCING THE PROVISIONS OF THE SEX DISCRIMINATION BILL AT A PRESS CONFERENCE, THE SECRETARY FOR HOME AFFAIRS, MR MICHAEL SUEN, SAID THE BILL WAS THE GOVERNMENT'S RESPONSE TO THE WIDE COMMUNITY SUPPORT FOR LEGISLATION AGAINST GENDER-RELATED DISCRIMINATION.

"WE HAVE INCORPORATED IN THE BILL ALL THE KEY AREAS IN WHICH THERE IS CONSENSUS IN THE COMMUNITY FOR LEGISLATIVE MEANS TO BAN SEX DISCRIMINATION," MR SUEN SAID.

"THE BILL PUBLISHED TODAY TAKES INTO ACCOUNT A WIDE RANGE OF PUBLIC OPINIONS COLLECTED DURING THE GREEN PAPER CONSULTATION EXERCISE CONDUCTED LATE LAST YEAR.

"EVEN DURING THE DRAFTING STAGE, WE CONTINUED TO LISTEN TO VIEWS EXPRESSED BY CONCERNED GROUPS AND INDIVIDUALS IN ORDER TO FINETUNE OUR PROPOSAL TO BEST FIT COMMUNITY ASPIRATIONS AND HONGKONG'S CIRCUMSTANCES," MR SUEN SAID.

"THE GOVERNMENT IS FIRMLY COMMITTED TO FOSTERING GENDER EQUALITY IN HONG KONG. WE BELIEVE THAT THE PROPOSED LEGISLATION WILL REMOVE POTENTIAL INJUSTICE AND UNFAIR RESTRICTION OF AN INDIVIDUAL'S PROSPECTS ON ACCOUNT OF HIS OR HER GENDER," HE SAID.

"THE BILL MAKES SEX DISCRIMINATION AND SEXUAL HARASSMENT UNLAWFUL IN MANY AREAS OF ACTIVITY INCLUDING EMPLOYMENT, EDUCATION, PROVISION OF GOODS AND SERVICES, AND THE DISPOSAL AND MANAGEMENT OF PREMISES," MR SUEN SAID.

"IT RENDERS UNLAWFUL IN THE EMPLOYMENT FIELD TO DISCRIMINATE AGAINST A PERSON ON THE GROUND OF MARITAL STATUS OR PREGNANCY," HE ADDED.

"WITH SUCH PROVISIONS IN THE BILL, IT WILL BE ILLEGAL FOR AN EMPLOYER TO DISCRIMINATE AGAINST A PERSON, ON THE GROUND OF HIS OR HER SEX, PREGNANCY OR MARITAL STATUS IN MATTERS RELATING TO RECRUITMENT, TERMS OF EMPLOYMENT, REMUNERATION, PROMOTION AND TRAINING."

THE BILL ALSO RENDERS UNLAWFUL DISCRIMINATION BY WAY OF VICTIMISATION. "THIS MAY OCCUR, FOR EXAMPLE, WHERE AN EMPLOYEE WHO HAS ASSERTED HER RIGHTS UNDER THE BILL IS SUBSEQUENTLY SUBJECT TO UNFAVOURABLE TREATMENT BY HER EMPLOYER AS A CONSEQUENCE OF THE ACTION TAKEN UNDER THE BILL."

"TO OVERSEE THE IMPLEMENTATION OF THE SEX DISCRIMINATION LEGISLATION, THE BILL PROVIDES FOR THE ESTABLISHMENT OF A STATUTORY BODY, THE EQUAL OPPORTUNITIES COMMISSION."

"THE COMMISSION WILL HAVE TO PERFORM A WIDE RANGE OF IMPORTANT FUNCTIONS -- ALL POINTING TOWARDS THE ULTIMATE GOAL OF ACHIEVING EQUAL OPPORTUNITY BETWEEN THE SEXES," HE POINTED OUT.

IT WILL WORK TOWARDS THE ELIMINATION OF SEX DISCRIMINATION AND SEXUAL HARASSMENT; PROMOTE EQUALITY OF OPPORTUNITY BETWEEN THE SEXES; AND INVESTIGATE COMPLAINTS AND ENDEAVOUR THE SETTLEMENT OF THE MATTER IN DISPUTE BY CONCILIATION.

"IN LINE WITH ITS RESPONSIBILITY TO PROMOTE EQUALITY OF OPPORTUNITY BETWEEN MEN AND WOMEN, THE COMMISSION WILL CARRY OUT PUBLIC EDUCATION PROGRAMMES TO PROMOTE GENDER EQUALITY AND CONDUCT RESEARCH INTO GENDER-RELATED ISSUES."

THE COMMISSION WILL BE EMPOWERED TO DEVELOP AND ISSUE CODES OF PRACTICE IN CONSULTATION WITH RELEVANT ORGANISATIONS. THESE CODES WILL PROVIDE PRACTICAL GUIDANCE TO ASSIST MEMBERS OF THE COMMUNITY TO COMPLY WITH THE LEGISLATION.

"SINCE THE LEGISLATION WILL HAVE A MAJOR IMPACT UPON THE EMPLOYMENT SECTOR, IT IS INTENDED THAT THE PROVISIONS PERTAINING TO EMPLOYMENT WOULD COME INTO FORCE WHEN THE CODES OF PRACTICE IN RESPECT OF EMPLOYMENT MATTERS HAVE BEEN DEVELOPED AND ISSUED," MR SUEN SAID.

HE EMPHASISED THAT UNDER THE BILL, THE COMMISSION WILL BE REQUIRED TO CONSULT BOTH EMPLOYER AND EMPLOYEE ORGANISATIONS IN DRAWING UP SUCH CODES.

HIGHLIGHTING THE STRONG CONCILIATION ROLE OF THE COMMISSION, MR SUEN SAID THE COMMISSION WAS EMPOWERED UNDER THE BILL TO INVESTIGATE COMPLAINTS, AND IT MAY, FOR EXAMPLE, REQUIRE PARTIES RELEVANT TO A COMPLAINT TO ATTEND CONFERENCES WITH A VIEW TO RESOLVING THE MATTER BY CONCILIATION.

"WHERE CONCILIATION FAILS, THE COMMISSION MAY PROVIDE ASSISTANCE IN RESPECT OF PROCEEDINGS BEFORE THE DISTRICT COURT.

"THE COMMISSION WILL ALSO HAVE THE POWER UNDER THE BILL TO CONDUCT FORMAL INVESTIGATIONS ON ITS OWN INITIATIVE OR UPON THE REQUEST OF THE CHIEF SECRETARY. THE COMMISSION WILL PREPARE AND PUBLISH OR MAKE AVAILABLE FOR PUBLIC INSPECTION A REPORT ON ANY FORMAL INVESTIGATION IT INITIATES.

"THE COMMISSION WILL HAVE THE POWER TO ISSUE ENFORCEMENT NOTICES AGAINST PERSONS WHERE, IN THE COURSE OF ANY FORMAL INVESTIGATION, THE COMMISSION BECOMES SATISFIED THAT THEY HAVE COMMITTED UNLAWFUL DISCRIMINATORY ACTS OR UNLAWFUL ACTS OF SEXUAL HARASSMENT.

"WHERE A PERSON PERSISTENTLY COMMITS SUCH ACTS, THE COMMISSION IS ALSO EMPOWERED TO APPLY TO THE DISTRICT COURT FOR AN INJUNCTION RESTRAINING THE PERSON FROM SO DOING.

"WITH STRONG CONCILIATION POWERS, THE COMMISSION WILL BE ABLE TO PERFORM THE IMPORTANT TASK OF SAFEGUARDING EQUAL OPPORTUNITIES BETWEEN THE SEXES WITHOUT CREATING AN UNDULY LITIGIOUS SOCIAL ENVIRONMENT," MR SUEN SAID.

ON THE JUDICIAL MECHANISM, MR SUEN SAID THE DISTRICT COURT WILL BE VESTED WITH THE POWER TO HEAR ALL SEX DISCRIMINATION AND SEXUAL HARASSMENT CASES.

"TO ENHANCE ACCESSIBILITY FOR THE AGGRIEVED PARTIES, THE JUDICIARY PROPOSES TO DESIGNATE A COURT AT THE DISTRICT COURT LEVEL TO HEAR ALL SEX DISCRIMINATION AND SEXUAL HARASSMENT CASES UNDER THE BILL. TO ENCOURAGE ACCESS TO THE COURT, IT IS PROPOSED THAT THE DISTRICT COURT'S DISCRETION TO PERMIT PERSONS TO ADDRESS IT WHO ARE NEITHER LEGALLY QUALIFIED NOR PARTIES TO THE PROCEEDINGS WOULD BE FAVOURABLY EXERCISED IN APPROPRIATE CASES.

"MOREOVER, THE USE OF CHINESE LANGUAGE IN THE COURT WILL ALSO BE ALLOWED. TO MAKE LITIGANTS LESS WORRIED THAT THEY MIGHT HAVE THE OTHER SIDE'S LARGE BILL OF COSTS TO PAY IF THEY LOSE, CONSIDERATION COULD BE GIVEN TO MAKING THE COURT'S POWER TO MAKE ORDERS FOR COSTS EXERCISABLE ONLY IN EXCEPTIONAL CIRCUMSTANCES.

"TAKEN TOGETHER, THE ABOVE MEASURES WILL PROVIDE AN EFFICIENT AND ACCESSIBLE AVENUE OF REDRESS FOR THE AGGRIEVED," MR SUEN POINTED OUT.

ON PROVISIONS FOR EXEMPTIONS, MR SUEN SAID THE BILL PROVIDED EXCEPTIONS TO ALLOW FOR SITUATIONS WHERE BEING A PARTICULAR SEX WAS A GENUINE OCCUPATIONAL QUALIFICATION.

"SUCH SITUATION WILL ARISE FROM THE NATURE OF THE JOB (E.G. IN THEATRICAL PERFORMANCES), CONSIDERATIONS OF DECENCY OR PRIVACY, THE CHARACTER OF THE ESTABLISHMENT AT WHICH THE DUTIES ARE PERFORMED AND THE NEED FOR WELFARE, EDUCATIONAL OR OTHER PERSONAL SERVICES TO BE PROVIDED BY A PERSON OF A PARTICULAR SEX.

"WITH REGARD TO DISCRIMINATION ON THE GROUND OF MARITAL STATUS, IT WILL NOT BE UNLAWFUL FOR AN EMPLOYER TO PROVIDE DIFFERENT LEVELS OF SPECIFIED BENEFITS OR ALLOWANCES FOR EMPLOYEES WITH DIFFERENT MARITAL STATUS. THIS WOULD ALLOW, FOR EXAMPLE, AN EMPLOYER TO PROVIDE A HIGHER LEVEL OF HOUSING ALLOWANCE TO EMPLOYEES WHO ARE MARRIED," MR SUEN EXPLAINED.

"TO PROVIDE SMALL EMPLOYERS WITH AN OPPORTUNITY TO BETTER UNDERSTAND THE OPERATION OF THE BILL AND BENEFIT FROM THE EXPERIENCE OF LARGE BUSINESS ESTABLISHMENTS, THE BILL PROVIDES FOR A TRANSITIONAL PERIOD OF FIVE YEARS TO ALLOW BUSINESS ESTABLISHMENTS WITH NOT MORE THAN FIVE EMPLOYEES TO COMPLY WITH THE PROVISIONS OF THE BILL."

THE BILL WILL BE INTRODUCED INTO THE LEGISLATIVE COUNCIL ON OCTOBER 26 THIS YEAR.

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REPORT ON LEGCO MEMBERS' REMUNERATION SENSIBLE  
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A GOVERNMENT SPOKESMAN SAID TODAY (FRIDAY) THAT THE ADMINISTRATION WAS DISAPPOINTED THAT MEMBERS OF THE FINANCE COMMITTEE HAD DECLINED TO APPROVE THE FINANCIAL IMPLICATIONS OF THE REPORT OF THE COMMISSION ON REMUNERATION FOR LEGISLATIVE COUNCIL MEMBERS.

"THE GOVERNMENT CONSIDERS THIS REPORT TO BE SENSIBLE, THOROUGH AND WELL-BALANCED," HE SAID.

"WE WILL HAVE TO SEEK THE VIEWS OF THE EXECUTIVE COUNCIL ON WHETHER TO MAKE ANY CHANGES TO THE RECOMMENDATIONS PUT FORWARD BY THE COMMISSION."

IN THE MEANTIME, THE SPOKESMAN SAID THE GOVERNMENT WOULD LOOK INTO THE POINTS MADE BY MEMBERS OF FINANCE COMMITTEE, SUCH AS THE ADEQUACY OF THE WINDING-UP ALLOWANCE OF \$73,000 AND WHETHER THE COMMISSION'S RECOMMENDATION THAT THE NAMES AND SALARIES OF LEGCO MEMBERS' ASSISTANTS SHOULD BE MADE PUBLIC NOW SHOULD BE IMPLEMENTED.

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RADAR SIMULATOR CONTRACT AWARDED FOR NEW AIRPORT  
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THE CENTRAL TENDER BOARD HAS APPROVED THE AWARD OF AN AIRPORT CORE PROGRAMME CONTRACT FOR THE SUPPLY AND INSTALLATION OF A RADAR SIMULATOR FOR THE NEW AIRPORT AT CHEK LAP KOK.

THE CONTRACT, VALUED AT ABOUT \$9 MILLION, WILL BE AWARDED BY THE GOVERNMENT TO UNISYS CHINA/HONG KONG LIMITED.

THE COMPANY WILL BE RESPONSIBLE FOR THE SUPPLY AND INSTALLATION OF THE RADAR SIMULATOR. THE SIMULATOR WILL BE USED FOR TRAINING AIR TRAFFIC CONTROLLERS.

WORK WILL START LATER THIS MONTH AND WILL BE COMPLETED IN AUGUST 1995.

THE AWARD OF THIS CONTRACT BRINGS THE TOTAL NUMBER OF AIRPORT CORE PROGRAMME CONTRACTS AWARDED SO FAR TO 69, WITH A TOTAL VALUE OF OVER \$52 BILLION.

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## ACP HIGHWAYS PROJECTS MAKE GOOD PROGRESS

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WORK IS PROGRESSING WELL ON ALL THE FIVE MAJOR HIGHWAYS PROJECTS ON THE AIRPORT CORE PROGRAMME (ACP), THE DIRECTOR OF HIGHWAYS, MR H S KWONG, SAID TODAY (FRIDAY).

OFFICIATING AT THE OPENING CEREMONY OF AN EXHIBITION ON THE ACP ORGANISED BY THE NEW AIRPORT PROJECTS CO-ORDINATION OFFICE (NAPCO), MR KWONG SAID THE ACP'S HIGHWAYS PROJECTS WERE DESIGNED TO CATER FOR THE NEW AIRPORT'S TRAFFIC AND TO RELIEVE EXISTING TRAFFIC CONGESTION.

THE FIVE HIGHWAYS PROJECTS ON THE ACP, WHICH WILL PROVIDE HONG KONG WITH A TOTAL OF 34 KILOMETRES OF NEW ROADS WHEN COMPLETED IN 1997, INCLUDE THE LANTAU FIXED CROSSING, THE 12.5-KILOMETRE NORTH LANTAU EXPRESSWAY, THE TSING YI AND KWAI CHUNG SECTIONS OF ROUTE 3, THE WEST KOWLOON EXPRESSWAY AND THE WESTERN HARBOUR CROSSING, HONG KONG'S THIRD CROSS-HARBOUR ROAD TUNNEL.

THE LANTAU FIXED CROSSING, COMPRISING THE TSING MA SUSPENSION BRIDGE AND THE KAP SHUI MUN BRIDGE, WOULD LINK UP THE LANTAU ISLAND WITH THE MAIN URBAN AREAS AND SERVE AS THE KEY TO OPEN UP LANTAU, MR KWONG SAID.

"THE OPENING OF LANTAU COULD PROVIDE VITAL PORT FACILITIES TO HELP SUPPORT THE ECONOMIES OF HONG KONG AND SOUTH CHINA INTO THE NEXT CENTURY," HE SAID.

ON THE TSING MA SUSPENSION BRIDGE, MR KWONG SAID IT WOULD BECOME INTERNATIONALLY KNOWN AS A MAJOR HONG KONG LANDMARK.

"ITS MAIN SPAN OF 1,377 METRES WILL BE THE WORLD'S LONGEST CARRYING BOTH ROAD AND RAILWAY, AND ITS CONCRETE TOWERS WITH A HEIGHT OF 206 METRES ARE AS HIGH AS SOME OF THE TALLEST OFFICE BUILDINGS IN THE CENTRAL DISTRICT.

"CONSTRUCTION OF THE MAIN SUSPENSION CABLES BY AERIAL WIRE SPINNING HAS COMMENCED AND ITS DECK UNITS WILL BE ERECTED IN THE LATTER HALF OF 1995," HE SAID.

MR KWONG SAID HONG KONG'S ROADS HAD ONE OF THE HIGHEST VEHICLE DENSITIES IN THE WORLD.

"TO COPE WITH THE INCREASING TRANSPORT DEMANDS, THE GOVERNMENT IS UNDERTAKING AN EXTENSIVE CONSTRUCTION PROGRAMME WITH OVER 100 ROAD PROJECTS CURRENTLY UNDER CONSTRUCTION AND 50 BEING PLANNED.

"TO IMPROVE THE CROSS-BORDER TRAFFIC AND ACCESS TO THE NORTHWEST NEW TERRITORIES, IMPROVEMENT WORKS AT TUEN MUN ROAD AND CASTLE PEAK ROAD, AND THE CONSTRUCTION OF THE TING KAU BRIDGE ARE UNDER WAY. BESIDES, THE ROUTE 3 - COUNTRY PARK SECTION IS TO COMMENCE CONSTRUCTION IN EARLY 1995.

"THESE PROJECTS ARE SCHEDULED FOR COMPLETION IN 1996, 1997 AND 1998, WHICH WILL WORK IN CONJUNCTION WITH THE ACP SECTION OF ROUTE 3 TO RELIEVE TRAFFIC CONGESTION ALONG TUEN MUN ROAD AND IN KWAI CHUNG," HE SAID.

THE ACP EXHIBITION, HELD AT THE ATRIUM OF THE TUEN MUN TOWN PLAZA, IS THE FIFTH OF THE 10 LOCAL EXHIBITIONS BEING ORGANISED BY NAPCO TO KEEP MEMBERS OF THE PUBLIC ABREAST OF THE TREMENDOUS PROGRESS ON THE 10 ACP PROJECTS.

THE TUEN MUN TOWN PLAZA EXHIBITION IS OPEN DAILY FROM 10 AM TO 8 PM UNTIL SUNDAY (OCTOBER 16).

ALSO OFFICIATING AT TODAY'S OPENING CEREMONY WERE MEMBERS OF THE LEGISLATIVE COUNCIL, MR LAU WONG-FAT, MR ALFRED TSO, MR TANG SIU-TONG, MR ZACHARY WONG; AND THE DIRECTOR OF NAPCO, MR BILLY LAM.

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#### HONG KONG SUPPORTS FREE TRADE IN ASIA-PACIFIC

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THE FINANCIAL SECRETARY, SIR HAMISH MACLEOD, WILL STATE UNEQUIVOCALLY HONG KONG'S SUPPORT FOR THE VISION OF FREE TRADE IN THE ASIA-PACIFIC REGION DURING THE SECOND ECONOMIC LEADERS MEETING OF THE ASIA PACIFIC ECONOMIC CO-OPERATION (APEC) IN INDONESIA NEXT MONTH.

SPEAKING ON "FREE TRADE AND APEC: A NEW WAY FORWARD?" TO THE INDIAN CHAMBER OF COMMERCE TODAY (FRIDAY), SIR HAMISH SAID HE BELIEVED THAT SUCH A VISION SHOULD GIVE APEC A SENSE OF DIRECTION AND A SENSE OF COMMON PURPOSE.

"HONG KONG WANTS APEC TO SUCCEED. WE SEE APEC AS THE PRINCIPAL ARCHITECT FOR FREE TRADE IN ASIA-PACIFIC.

"PLAYING A ROLE COMPLEMENTARY TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE FRAMEWORK, APEC CAN LEAD THE WAY TO GLOBAL LIBERALISATION," HE SAID.

SIR HAMISH SAID HE ALWAYS BELIEVED THAT TRADE AND INVESTMENT WERE THE MOST POWERFUL ENGINES BEHIND GROWTH.

"THE MOST OPEN ONE IS, THE MORE COMPETITIVE AND SUCCESSFUL ONE BECOMES," HE SAID.

SIR HAMISH SAID APEC ECONOMIC LEADERS WOULD ALSO CONSIDER RECOMMENDATIONS ON LAUNCHING THE PROCESS OF TRADE LIBERALISATION MADE BY APEC'S EMINENT PERSONS GROUP (EPG).

EPG HAS RECOMMENDED THAT THE PROCESS SHOULD START IN THE YEAR 2000 AND THE FREE TRADE GOAL SHOULD BE ATTAINED BY THE YEAR 2020.

SIR HAMISH SAID AS ONE OF THE FREEST, IF NOT THE FREEST, TRADERS OF THE WORLD, HONG KONG FULLY EMBRACED THE FREE TRADE GOAL.

"WE WOULD IN FACT BE OVERJOYED IF THE FREE TRADE GOAL WERE TO BE REACHED TODAY! HONG KONG IS ALREADY FREE - TARIFF FREE, QUOTA FREE, DISCRIMINATION FREE," HE SAID.

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FRIDAY, OCTOBER 14, 1994

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QUOTA CONTROL FOR IMPORTING CARBON TETRACHLORIDE

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THE GAZETTE TODAY (FRIDAY) PUBLISHED A NOTICE INVITING APPLICATIONS FOR QUOTA ALLOCATION FOR THE RETAINED IMPORTS OF CARBON TETRACHLORIDE FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 1995.

"THIS MOVE BUILDS ON THE SUBSTANTIAL PROGRESS ALREADY MADE BY THE GOVERNMENT UNDER THE OZONE LAYER PROTECTION ORDINANCE WHICH WAS ENACTED IN 1989," PRINCIPAL ENVIRONMENTAL PROTECTION OFFICER OF THE ENVIRONMENTAL PROTECTION DEPARTMENT (EPD), MR FRANKLIN CHUNG, SAID TODAY (FRIDAY).

HE SAID: "THESE LATEST STEPS ARE IN LINE WITH THE ADJUSTMENT TO THE MONTREAL PROTOCOL, UNDER WHICH A REVISED AND ACCELERATED CONSUMPTION REDUCTION SCHEDULE TO PHASE OUT HALONS BY 1994 AND CHLOROFLUOROCARBONS (CFCS), 1,1,1-TRICHLOROETHANE AND CARBON TETRACHLORIDE BY 1996 WAS ADOPTED BY PARTY COUNTRIES IN THE COPENHAGEN MEETING IN 1992.

"UNDER THE ADJUSTMENT, HONG KONG'S CONSUMPTION LEVEL OF CARBON TETRACHLORIDE OF 1995 SHOULD BE FROZEN AT OR BELOW 15 PER CENT OF THAT IN 1989.

"TO MEET THIS REQUIREMENT, STARTING FROM JANUARY 1, 1995, ANY PERSON WHO IMPORTS CARBON TETRACHLORIDE INTO HONG KONG FOR LOCAL CONSUMPTION WILL BE REQUIRED TO POSSESS A QUOTA ALLOCATED BY THE EPD BEFORE AN IMPORT LICENCE CAN BE ISSUED BY THE TRADE DEPARTMENT.

"THE QUOTA SYSTEM WILL BE SIMILAR TO THE ONES CURRENTLY OPERATED FOR CFCS AND 1,1,1-TRICHLOROETHANE. QUOTAS WILL BE ISSUED TO APPLICANTS WITH A PROVEN RECORD OF IMPORTING CARBON TETRACHLORIDE INTO HONG KONG FOR LOCAL CONSUMPTION," MR CHUNG SAID.

HE SAID AS A CONTINUED EFFORT TO COMPLY WITH OBLIGATIONS UNDER THE MONTREAL PROTOCOL TO PROTECT THE OZONE LAYER, THE EPD HAD REVISED THE ADMINISTRATIVE QUOTA ALLOCATION SYSTEM TO ACCOMMODATE THE CHANGES IN THE CONSUMPTION REDUCTION SCHEDULE FOR PHASING OUT CFCS AND 1,1,1-TRICHLOROETHANE.

"THE IMPORTATION OF HALONS INTO HONG KONG FOR LOCAL CONSUMPTION HAS BEEN BANNED SINCE JANUARY 1994, WHILE CARBON TETRACHLORIDE HAS BEEN SUBJECT TO LICENSING CONTROL SINCE AUGUST 1993," MR CHUNG SAID.

WHILE CARBON TETRACHLORIDE IS A SOLVENT USED IN VARIOUS INDUSTRIES, PARTICULARLY FOR DRY-CLEANING OF GARMENTS, MR CHUNG SAID: "LOCAL DEMAND FOR THIS CHEMICAL, WHICH IS KNOWN TO CAUSE CANCER, HAS DECREASED.

"THEREFORE, THE IMPENDING QUOTA CONTROL ON THE CHEMICAL IS NOT EXPECTED TO AFFECT THE INDUSTRY SIGNIFICANTLY."

APPLICATIONS FOR QUOTAS MUST BE SUBMITTED IN PERSON BY 5 PM ON NOVEMBER 11, TO EPD'S AIR MANAGEMENT GROUP, 33RD FLOOR, REVENUE TOWER, 5 GLOUCESTER ROAD, WAN CHAI, HONG KONG.

APPLICATION FORMS AND FURTHER DETAILS REGARDING THE QUOTA SYSTEM CAN BE OBTAINED FROM THE ABOVE ADDRESS OR BY TELEPHONE 594 6242 OR 594 6243.

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EXTERNAL TRADE STATISTICS FOR AUGUST 1994  
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THE CENSUS AND STATISTICS DEPARTMENT TODAY (FRIDAY) RELEASED DETAILED STATISTICS ON EXTERNAL TRADE WITH BREAKDOWN BY COUNTRY/TERRITORY AND COMMODITY FOR AUGUST 1994.

THE VALUE OF RE-EXPORTS IN AUGUST 1994, AT \$87.4 BILLION, SHOWED AN INCREASE OF 20% OVER AUGUST 1993.

COMPARING AUGUST 1994 WITH AUGUST 1993, INCREASES WERE RECORDED IN THE VALUE OF RE-EXPORTS TO SINGAPORE (+31%), JAPAN (+27%), THE UNITED STATES (+21%), CANADA (+21%), CHINA (+20%), FRANCE (+18%), THE UNITED KINGDOM (+13%), GERMANY (+9.3%) AND THE REPUBLIC OF KOREA (+4.8%).

HOWEVER, THE VALUE OF RE-EXPORTS TO TAIWAN DECREASED MARGINALLY BY 0.3%.

THE CHANGES IN THE VALUE OF HONG KONG'S RE-EXPORTS TO THE 10 MAIN DESTINATIONS ARE SHOWN IN TABLE 1.

THE VALUE OF RE-EXPORTS IN THE FIRST EIGHT MONTHS OF 1994 WAS \$599.7 BILLION, 14% HIGHER THAN THAT IN THE SAME PERIOD IN 1993.

COMPARING THE FIRST EIGHT MONTHS OF 1994 WITH THE SAME PERIOD IN 1993, INCREASES WERE RECORDED IN THE VALUE OF RE-EXPORTS TO JAPAN (+24%), THE UNITED STATES (+17%), CHINA (+16%), THE UNITED KINGDOM (+15%), SINGAPORE (+13%), THE REPUBLIC OF KOREA (+11%), CANADA (+6.6%), GERMANY (+5.3%) AND FRANCE (+3.2%).

HOWEVER, THE VALUE OF RE-EXPORTS TO TAIWAN DECREASED SLIGHTLY BY 1.4%

TABLE 2 SHOWS THE CHANGES IN THE VALUE OF RE-EXPORTS OF THE 10 PRINCIPAL COMMODITY DIVISIONS.

COMPARING THE FIRST EIGHT MONTHS OF 1994 WITH THE SAME PERIOD IN 1993, INCREASES OF VARIOUS MAGNITUDES WERE RECORDED IN THE VALUE OF RE-EXPORTS OF MOST PRINCIPAL COMMODITY DIVISIONS.

MORE NOTABLE INCREASES WERE REGISTERED FOR TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT (BY \$16.2 BILLION OR 37%); ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF (BY \$7.7 BILLION OR 18%); MISCELLANEOUS MANUFACTURED ARTICLES CONSISTING MAINLY OF BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS (BY \$7.5 BILLION OR 11%); TEXTILES (BY \$7.2 BILLION OR 16%); FOOTWEAR (BY \$4.6 BILLION OR 15%); AND OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES (BY \$4.5 BILLION OR 26%).

OVER THE SAME PERIOD, A DECREASE IN THE VALUE OF RE-EXPORTS WAS RECORDED FOR ROAD VEHICLES (BY \$1.3 BILLION OR 5.8%).

THE VALUE OF DOMESTIC EXPORTS IN AUGUST 1994, AT \$21.1 BILLION, INCREASED BY 7.5% OVER A YEAR EARLIER.

COMPARING AUGUST 1994 WITH AUGUST 1993, THE VALUE OF DOMESTIC EXPORTS TO MALAYSIA INCREASED SIGNIFICANTLY BY 46%. INCREASES WERE ALSO RECORDED IN THE VALUE OF DOMESTIC EXPORTS TO SINGAPORE (+16%), THE NETHERLANDS (+13%), THE UNITED STATES (+12%), JAPAN (+11%), CHINA (+3.4%) AND THE UNITED KINGDOM (+0.2%).

HOWEVER, THE VALUE OF DOMESTIC EXPORTS TO CANADA, GERMANY AND TAIWAN DECREASED BY 6.4%, 2.3% AND 1.6% RESPECTIVELY.

THE CHANGES IN THE VALUE OF DOMESTIC EXPORTS TO THE 10 MAIN DESTINATIONS ARE SHOWN IN TABLE 3.

COMPARING THE FIRST EIGHT MONTHS OF 1994 WITH THE SAME PERIOD IN 1993, DECREASES WERE RECORDED IN THE VALUE OF DOMESTIC EXPORTS TO CANADA (-13%), GERMANY (-11%), CHINA (-5.9%), THE UNITED KINGDOM (-5.9%) AND TAIWAN (-2.6%).

HOWEVER, THE VALUE OF DOMESTIC EXPORTS TO MALAYSIA, SINGAPORE, THE NETHERLANDS, THE UNITED STATES AND JAPAN INCREASED BY 8.9%, 6.8%, 2.4%, 1.5% AND 0.3% RESPECTIVELY.

TAKING ALL DESTINATIONS TOGETHER, THE VALUE OF DOMESTIC EXPORTS IN THE FIRST EIGHT MONTHS OF 1994, AT \$140.3 BILLION, DECREASED BY 2.7% OVER THE SAME PERIOD IN 1993. THIS REFLECTED PARTLY THE CONTINUED STRUCTURAL SHIFT TO RE-EXPORTS AND PARTLY THE WEAK DEMAND IN OVERSEAS MARKETS.

TABLE 4 SHOWS THE CHANGES IN THE VALUE OF DOMESTIC EXPORTS OF THE 10 PRINCIPAL COMMODITY DIVISIONS.

COMPARING THE FIRST EIGHT MONTHS OF 1994 WITH THE SAME PERIOD IN 1993, DECREASES IN THE VALUE OF DOMESTIC EXPORTS WERE REGISTERED FOR TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT (BY \$1.4 BILLION OR 16%); TEXTILES (BY \$1.1 BILLION OR 9.9%); PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS (BY \$726 MILLION OR 6.9%); MISCELLANEOUS MANUFACTURED ARTICLES CONSISTING MAINLY OF JEWELLERY, GOLDSMITHS' AND SILVERSMITHS' WARES (BY \$718 MILLION OR 5.5%); AND OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES (BY \$338 MILLION OR 3.0%).

OVER THE SAME PERIOD, A MODERATE INCREASE IN THE VALUE OF DOMESTIC EXPORTS WAS RECORDED FOR ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF (BY \$1.4 BILLION OR 9.3%).

THE VALUE OF IMPORTS IN AUGUST 1994, AT \$109.7 BILLION, INCREASED SIGNIFICANTLY BY 18% OVER A YEAR EARLIER.

THE CHANGES IN THE VALUE OF IMPORTS FROM THE 10 MAIN SUPPLIERS ARE SHOWN IN TABLE 5.

COMPARING AUGUST 1994 WITH AUGUST 1993, THE VALUE OF IMPORTS FROM ALL OF THE MAIN SUPPLIERS SHOWED INCREASES OF VARIOUS MAGNITUDES: ITALY (+32%), GERMANY (+28%), SINGAPORE (+24%), CHINA (+22%), MALAYSIA (+19%), THE UNITED KINGDOM (+17%), TAIWAN (+13%), JAPAN (+10%), THE REPUBLIC OF KOREA (+7.4%) AND THE UNITED STATES (+4.3%).

COMPARING THE FIRST EIGHT MONTHS OF 1994 WITH THE SAME PERIOD IN 1993, THE VALUE OF IMPORTS FROM ALL OF THE MAIN SUPPLIERS SHOWED INCREASES OF VARIOUS MAGNITUDES: ITALY (+28%), SINGAPORE (+28%), MALAYSIA (+24%), CHINA (+16%), THE REPUBLIC OF KOREA (+16%), THE UNITED KINGDOM (+14%), TAIWAN (+10%), GERMANY (+8.4%), THE UNITED STATES (+8.0%) AND JAPAN (+4.0%).

THE VALUE OF IMPORTS IN THE FIRST EIGHT MONTHS OF 1994, AT \$792.4 BILLION, INCREASED BY 13% OVER THE SAME PERIOD IN 1993. THIS WAS SUPPORTED LARGELY BY THE GROWTH IN HONG KONG'S RE-EXPORT TRADE.

TABLE 6 SHOWS THE CHANGES IN THE VALUE OF IMPORTS OF THE 10 PRINCIPAL COMMODITY DIVISIONS.

COMPARING THE FIRST EIGHT MONTHS OF 1994 WITH THE SAME PERIOD IN 1993, INCREASES WERE RECORDED IN THE VALUE OF IMPORTS OF MOST PRINCIPAL COMMODITY DIVISIONS.

MORE NOTABLE INCREASES WERE REGISTERED FOR TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT (BY \$16.7 BILLION OR 29%); TEXTILES (BY \$11.9 BILLION OR 18%); ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF (BY \$11.6 BILLION OR 16%); OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES (BY \$6.0 BILLION OR 26%); MISCELLANEOUS MANUFACTURED ARTICLES CONSISTING MAINLY OF BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS (BY \$5.0 BILLION OR 9.7%); AND CLOTHING (BY \$4.7 BILLION OR 8.4%).

OVER THE SAME PERIOD, A SIGNIFICANT DECREASE IN THE VALUE OF IMPORTS WAS RECORDED FOR ROAD VEHICLES (BY \$5.6 BILLION OR 15%).

ALL THE TRADE STATISTICS DESCRIBED HERE ARE MEASURED AT CURRENT PRICES AND NO ACCOUNT HAS BEEN TAKEN OF THE CHANGES IN PRICES BETWEEN THE PERIODS OF COMPARISON.

A SEPARATE ANALYSIS OF THE VOLUME AND PRICE MOVEMENTS OF EXTERNAL TRADE FOR AUGUST 1994 WILL BE RELEASED IN EARLY NOVEMBER.

DETAILED TRADE STATISTICS ANALYSED BY COMMODITY AND BY COUNTRY/TERRITORY ARE PUBLISHED IN TRADE STATISTICS REPORTS.

THE AUGUST 1994 ISSUE OF THE "HONG KONG EXTERNAL TRADE" WITH DETAILED ANALYSES ON THE PERFORMANCE OF HONG KONG'S EXTERNAL TRADE IN AUGUST 1994 WILL BE AVAILABLE FOR SALE AT \$86 A COPY AROUND OCTOBER 24.

THE REPORT CAN BE PURCHASED EITHER AT THE GOVERNMENT PUBLICATIONS CENTRE ON THE GROUND FLOOR, GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, CENTRAL, OR AT THE PUBLICATIONS SECTION 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 INFORMATION SERVICES DEPARTMENT AT FRENCH MISSION BUILDING, 1 BATTERY PATH, HONG KONG (TEL 842 8802) AND ENQUIRIES ON TRADE STATISTICS TO THE CENSUS AND STATISTICS DEPARTMENT (TEL 582 4915).

TABLE 1 : RE-EXPORTS TO THE TEN MAIN DESTINATIONS

DESTINATION	AUG 1994 (HKD Mn.)	AUG 94 OVER AUG 93 (% CHANGE)	JAN-AUG 1994 (HKD Mn.)	JAN-AUG 94 OVER JAN-AUG 93 (% CHANGE)
CHINA	27,792	+ 19.7	207,009	+ 16.2
UNITED STATES	21,828	+ 21.3	132,788	+ 16.7
JAPAN	4,941	+ 26.6	32,886	+ 23.5
GERMANY	3,751	+ 9.3	26,746	+ 5.3
UNITED KINGDOM	2,650	+ 13.5	17,184	+ 15.2
TAIWAN	1,732	- 0.3	14,254	- 1.4
SINGAPORE	1,738	+ 30.5	12,462	+ 13.5
REPUBLIC OF KOREA	1,279	+ 4.8	10,906	+ 11.0
CANADA	1,531	+ 20.9	8,881	+ 6.6
FRANCE	1,311	+ 18.1	8,828	+ 3.2

/TABLE 2 : .....

FRIDAY, OCTOBER 14, 1994

THE NOTICE AND ITS RELATED PLANS CAN BE SEEN AT THE LANDS DEPARTMENT'S SURVEY AND MAPPING OFFICE, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, CENTRAL, HONG KONG; THE NORTH DISTRICT OFFICE, THIRD FLOOR, NORTH DISTRICT GOVERNMENT OFFICES, 3 PIK FUNG ROAD, FANLING, NEW TERRITORIES; THE DISTRICT LANDS OFFICE, NORTH, SIXTH FLOOR, NORTH DISTRICT GOVERNMENT OFFICES, 3 PIK FUNG ROAD, FANLING, NEW TERRITORIES; THE DISTRICT LANDS OFFICE, YUEN LONG, NINTH FLOOR, DISTRICT GOVERNMENT OFFICES, 2 KUI WAI STREET, YUEN LONG, NEW TERRITORIES AND THE DISTRICT LANDS OFFICE, YUEN LONG, NINTH FLOOR, DISTRICT GOVERNMENT OFFICES, 2 KUI WAI STREET, YUEN LONG, NEW TERRITORIES.

TABLE 2 : RE-EXPORTS OF THE TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	AUG 1994 (HKD Mn.)	AUG 94 OVER AUG 93 (% CHANGE)	JAN-AUG 1994 (HKD Mn.)	JAN-AUG 94 OVER JAN-AUG 93 (% CHANGE)
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS)	13,769	+ 21.4	75,385	+ 11.0
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	10,000	+ 15.4	59,897	+ 5.8
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	8,147	+ 31.6	59,733	+ 37.1
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	7,548	+ 32.1	52,749	+ 15.8
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	7,338	+ 21.6	50,560	+ 17.9
FOOTWEAR	5,158	+ 13.7	35,977	+ 14.8
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	3,709	+ 19.2	25,612	+ 11.4
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	2,942	+ 25.1	22,180	+ 25.5
ROAD VEHICLES	2,543	- 11.0	21,444	- 5.8
TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS	2,909	+ 18.9	20,201	+ 15.0

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.

/TABLE 3 : .....

TABLE 3 : DOMESTIC EXPORTS TO THE TEN MAIN DESTINATIONS

DESTINATION	AUG 1994 (HKD Mn.)	AUG 94 OVER AUG 93 (% CHANGE)	JAN-AUG 1994 (HKD Mn.)	JAN-AUG 94 OVER JAN-AUG 93 (% CHANGE)
CHINA	5,627	+ 3.4	39,519	- 5.9
UNITED STATES	6,189	+ 11.7	37,391	+ 1.5
GERMANY	1,263	- 2.3	8,282	- 11.2
SINGAPORE	1,094	+ 16.4	7,837	+ 6.8
UNITED KINGDOM	1,054	+ 0.2	6,535	- 5.9
JAPAN	912	+ 10.6	6,471	+ 0.3
TAIWAN	498	- 1.6	3,738	- 2.6
NETHERLANDS	447	+ 12.6	3,109	+ 2.4
CANADA	431	- 6.4	2,705	- 13.1
MALAYSIA	258	+ 46.2	1,889	+ 8.9

/TABLE 4 : .....

TABLE 4 : DOMESTIC EXPORTS OF THE TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	AUG 1994 (HKD Mn.)	AUG 94 OVER AUG 93 (% CHANGE)	JAN-AUG 1994 (HKD Mn.)	JAN-AUG 94 OVER JAN-AUG 93 (% CHANGE)
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	7,798	+ 8.3	44,814	+ 0.3
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	2,290	+ 23.0	15,986	+ 9.3
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY JEWELLERY, GOLDSMITHS' AND SILVERSMITHS' WARES)	1,681	- 6.9	12,372	- 5.5
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	1,533	+ 24.5	10,892	- 3.0
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	1,394	+ 11.8	9,768	- 9.9
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	1,314	+ 0.6	9,733	- 6.9
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	1,032	- 8.1	7,648	- 15.8
MANUFACTURES OF METALS	424	+ 7.3	3,028	- 0.6
PLASTICS IN PRIMARY FORMS	404	+ 45.8	2,510	+ 7.7
MACHINERY SPECIALIZED FOR PARTICULAR INDUSTRIES	257	- 15.7	2,142	- 11.2

/TABLE 5 : .....

TABLE 5 : IMPORTS FROM THE TEN MAIN SUPPLIERS

SUPPLIER	AUG 1994 (HKD Mn.)	AUG 94 OVER AUG 93 (% CHANGE)	JAN-AUG 1994 (HKD Mn.)	JAN-AUG 94 OVER JAN-AUG 93 (% CHANGE)
CHINA	45,115	+ 22.0	295,907	+ 16.0
JAPAN	15,978	+ 10.3	124,463	+ 4.0
TAIWAN	9,040	+ 12.9	67,913	+ 10.2
UNITED STATES	7,761	+ 4.3	57,309	+ 8.0
SINGAPORE	4,922	+ 24.4	38,725	+ 27.8
REPUBLIC OF KOREA	4,284	+ 7.4	37,182	+ 15.5
GERMANY	2,591	+ 28.1	18,093	+ 8.4
UNITED KINGDOM	2,204	+ 16.6	15,779	+ 14.2
ITALY	2,349	+ 32.0	14,655	+ 28.3
MALAYSIA	1,622	+ 18.7	12,766	+ 23.7

/TABLE 6 : .....

TABLE 6 : IMPORTS OF THE TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	AUG 1994 (HKD Mn.)	AUG 94 OVER AUG 93 (% CHANGE)	JAN-AUG 1994 (HKD Mn.)	JAN-AUG 94 OVER JAN-AUG 93 (% CHANGE)
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	11,604	+ 14.6	85,078	+ 15.8
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	10,074	+ 29.7	77,454	+ 18.2
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	9,759	+ 10.5	73,866	+ 29.3
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	10,031	+ 18.9	61,361	+ 8.4
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS)	9,498	+ 21.0	56,479	+ 9.7
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	4,456	+ 15.7	34,055	+ 9.2
ROAD VEHICLES	4,433	+ 7.8	32,781	- 14.6
FOOTWEAR	4,365	+ 6.2	31,360	+ 14.0
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	4,066	+ 41.8	29,056	+ 26.2
GENERAL INDUSTRIAL MACHINERY AND EQUIPMENT, AND MACHINE PARTS	2,888	+ 17.4	25,784	+ 13.3

NORTH DISTRICT BOARD CHAIRMAN ELECTED

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MR TANG KWOK-YUNG WAS ELECTED CHAIRMAN OF THE NORTH DISTRICT BOARD AT ITS MEETING TODAY (FRIDAY).

HE DEFEATED ANOTHER CANDIDATE MR RAYMOND PANG HANG-YIN BY EIGHT TO SEVEN VOTES.

MR KAN PING-CHEE ALSO BEAT ANOTHER CANDIDATE MR CHEUNG FOR-TAI BY EIGHT TO SEVEN VOTES TO BECOME REPRESENTATIVE OF THE BOARD TO THE REGIONAL COUNCIL.

THREE CHAIRMEN OF THE NORTH DISTRICT BOARD'S COMMITTEES WERE ALSO ELECTED. THEY ARE MR HAU KAM-LAM OF THE DISTRICT DEVELOPMENT AND ENVIRONMENTAL IMPROVEMENT COMMITTEE; MR WAN CHUNG-PING OF THE RECREATION, CULTURE AND SOCIAL SERVICES COMMITTEE; AND MR TANG KUN-NIN OF TRAFFIC AND TRANSPORT COMMITTEE.

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MEDICINES CLAIMING TO CONTAIN TIGER INGREDIENTS SEIZED

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BASED ON INFORMATION PROVIDED BY THE CUSTOMS, THE AGRICULTURE AND FISHERIES DEPARTMENT (AFD) SEIZED A LARGE QUANTITY OF MEDICINES CLAIMING TO CONTAIN TIGER INGREDIENTS IN TWO OPERATIONS IN THE PAST FEW DAYS.

AFD SENIOR CONSERVATION OFFICER MR CHAN PING-KWONG SAID THE TWO OPERATIONS RESULTED IN THE SEIZURE OF OVER 20,000 PACKETS OF MEDICINES CLAIMING TO CONTAIN TIGER INGREDIENTS WITH AN ESTIMATED VALUE OF OVER \$542,000.

THE FIRST OPERATION WAS MOUNTED FOLLOWING SUCCESSFUL INTERCEPTION BY THE CUSTOMS OF THREE POSTAL SHIPMENT CARTONS OF TIGER MEDICINES (948 PACKETS) FROM MALAYSIA ON OCTOBER 1 DURING A CHECK ON THE GOODS AT THE GENERAL POST OFFICE.

BASED ON THESE INFORMATION, STAFF OF THE AGRICULTURE AND FISHERIES DEPARTMENT CONDUCTED A SEARCH ON OCTOBER 4 AT A PREMISES BELIEVED TO BE THE OFFICE OF THE CONSIGNEE AND SEIZED A TOTAL OF 20,500 PACKETS OF TIGER MEDICINES, TWO PACKETS OF RHINO/TIGER MEDICINES AND TWO VIALS OF CLAIMED BEAR GALL BLADDER POWDER.

INVESTIGATIONS ON THE CONSIGNEE ARE STILL CONTINUING, MR CHAN SAID.

THE SECOND OPERATION WAS CONDUCTED JOINTLY WITH THE POLICE EARLY THIS (FRIDAY) MORNING AFTER A PERIOD OF OBSERVATION ON A WOMAN WHO WAS FOUND BY THE CUSTOMS AT LOWU CHECKPOINT IN JULY FOR BRINGING IN 99 PACKETS OF TIGER MEDICINES WHEN RETURNING FROM CHINA.

AT 6.50 AM TODAY, POLICE AND AFD OFFICERS STOPPED THE SUSPECTED WOMAN HAWKER AT THE TAK TIN STREET BUS TERMINUS, LAM TIN, AND SEIZED FROM HER 21 PACKETS OF TIGER MEDICINES.

A SUBSEQUENT SEARCH ON HER PREMISES RESULTED IN THE SEIZURE OF ANOTHER 101 PACKETS OF THE SAME PROHIBITED ITEMS.

THE WOMAN IS EXPECTED TO BE CHARGED WITH RELATED OFFENCES ONCE INVESTIGATIONS ARE COMPLETED.

COMMENTING ON THE CASES, MR CHAN SAID THE AFD WOULD CONTINUE TO WORK TOGETHER WITH THE CUSTOMS AND POLICE ON THEIR ENFORCEMENT OVER THE ILLEGAL IMPORT, EXPORT AND POSSESSION OF TIGER AND RHINO MEDICINES.

HE POINTED OUT THAT SPECIAL ATTENTION WOULD BE PAID TO DIFFERENT WAYS OF SMUGGLING THE PROHIBITED ITEMS INTO THE TERRITORY, SUCH AS POSTAL CONSIGNMENT.

MR CHAN REITERATED THAT THE BAN ON IMPORT AND EXPORT OF ALL TIGER MEDICINES HAD BECOME EFFECTIVE SINCE JANUARY THIS YEAR.

UNDER THE ANIMALS AND PLANTS (PROTECTION OF ENDANGERED SPECIES) ORDINANCE, PEOPLE FOUND GUILTY OF POSSESSING, IMPORTING AND EXPORTING ENDANGERED ITEMS WOULD BE LIABLE TO A MAXIMUM FINE OF \$25,000 ON THE FIRST OFFENCE AND A MAXIMUM FINE OF \$50,000 PLUS SIX MONTHS IMPRISONMENT ON SUBSEQUENT OFFENCES.

HE SAID CONSIDERATION WAS BEING MADE BY THE ADMINISTRATION TO INCREASE SUBSTANTIALLY THE PENALTIES.

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#### INDEX OF INDUSTRIAL PRODUCTION FOR SECOND QUARTER 1994

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THE INDEX OF INDUSTRIAL PRODUCTION FOR THE SECOND QUARTER OF THIS YEAR DECREASED MARGINALLY BY 0.8% OVER THE SAME QUARTER LAST YEAR, ACCORDING TO THE RESULTS OF A SURVEY RELEASED TODAY (FRIDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

A DECREASE OF 8.0% WAS RECORDED IN THE INDUSTRY GROUP OF CHEMICALS, RUBBER, PLASTIC AND NON-METALLIC MINERAL PRODUCTS. WITHIN THIS GROUP, THE PRODUCTION OF PLASTIC PRODUCTS RECORDED A NOTABLE DECREASE OF 17.9%.

PRODUCTION OF THE TEXTILE (INCLUDING KNITTING) INDUSTRY DECREASED BY 5.4%.

A SMALL DECREASE OF 1.3% WAS ALSO RECORDED IN THE INDUSTRY GROUP OF ELECTRICAL AND ELECTRONIC PRODUCTS, MACHINERY, PROFESSIONAL EQUIPMENT AND OPTICAL GOODS.

WITHIN THIS GROUP, THE PRODUCTION OF MACHINERY, EQUIPMENT, APPARATUS, PARTS AND COMPONENTS INCREASED BY 1.8% WHEREAS THE PRODUCTION OF CONSUMER ELECTRICAL AND ELECTRONIC PRODUCTS DECREASED BY 3.9%.

NEVERTHELESS, MODERATE INCREASES WERE RECORDED IN THE PAPER PRODUCTS AND PRINTING INDUSTRY GROUP (6.0%) AND BASIC METALS AND FABRICATED METAL PRODUCTS INDUSTRY (4.3%).

OUTPUT OF THE FOOD, BEVERAGES AND TOBACCO INDUSTRY GROUP ALSO INCREASED SLIGHTLY BY 2.0%.

COMPARED WITH THE FIRST QUARTER OF 1994, THE INDEX OF INDUSTRIAL PRODUCTION SHOWED A NOTABLE INCREASE OF 12.1%. THIS INCREASE WAS, HOWEVER, LARGELY SEASONAL AS THE MANUFACTURING ACTIVITIES USUALLY START TO PICK UP IN THE SECOND QUARTER.

THE INDEX OF INDUSTRIAL PRODUCTION REFLECTS CHANGES OF LOCAL MANUFACTURING OUTPUT IN REAL TERMS. IN OTHER WORDS, IT MEASURES THE VOLUME OF LOCAL PRODUCTION AFTER DISCOUNTING THE EFFECT OF PRICE CHANGES.

MORE DETAILED INFORMATION CAN BE OBTAINED FROM THE "QUARTERLY INDEX OF INDUSTRIAL PRODUCTION, 2ND QUARTER 1994" REPORT, WHICH IS ON SALE AT \$5 A COPY AT THE GOVERNMENT PUBLICATIONS CENTRE, GROUND FLOOR, GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, CENTRAL, OR AT THE CENSUS AND STATISTICS DEPARTMENT PUBLICATIONS SECTION, 19TH FLOOR, WANCHAI TOWER, 12 HARBOUR ROAD, WAN CHAI. REGULAR SUBSCRIPTION MAY ALSO BE ARRANGED.

ENQUIRIES ABOUT THE SURVEY RESULT MAY BE DIRECTED TO THE GENERAL ECONOMIC SURVEYS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL 805 6643.

THE FOLLOWING TABLE SHOWS THE PERCENTAGE CHANGES IN THE INDICES OF INDUSTRIAL PRODUCTION. AS FROM THE FIRST QUARTER OF 1992, THE HONG KONG STANDARD INDUSTRIAL CLASSIFICATION (HSIC) IS USED TO FORM THE INDUSTRY GROUPS AND COMPONENT INDUSTRIES.

INDICES OF INDUSTRIAL PRODUCTION BY INDUSTRY GROUP AND  
SELECTED COMPONENT INDUSTRY  
(1986 = 100)

INDUSTRY GROUP / SELECTED COMPONENT INDUSTRY	INDEX	% CHANGE OVER	
	FOR 2ND QTR. 1994	2ND QTR. 1993	1ST QTR. 1994
1. FOOD, BEVERAGES AND TOBACCO	153	+2.0	+1.3
2. WEARING APPAREL, EXCEPT FOOTWEAR	103	+1.0	+12.0
3. TEXTILES (INCLUDING KNITTING)	106	-5.4	+24.7
4. PAPER PRODUCTS AND PRINTING	281	+6.0	+26.6
5. CHEMICALS, RUBBER, PLASTIC AND NON-METALLIC MINERAL PRODUCTS	69	-8.0	+16.9
--PLASTIC PRODUCTS	(46)	(-17.9)	(+17.9)

/6. BASIC METALS .....

6. BASIC METALS AND FABRICATED METAL PRODUCTS	96	+4.3	+14.3
--FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	(94)	(+3.3)	(+14.6)
7. ELECTRICAL AND ELECTRONIC PRODUCTS, MACHINERY, PROFESSIONAL EQUIPMENT AND OPTICAL GOODS	157	-1.3	+3.3
--CONSUMER ELECTRICAL AND ELECTRONIC PRODUCTS	(122)	(-3.9)	(+16.2)
--MACHINERY, EQUIPMENT, APPARATUS, PARTS AND COMPONENTS	(223)	(+1.8)	(+0.5)
8. MISCELLANEOUS MANUFACTURING INDUSTRIES	82	-2.4	+2.5
ALL MANUFACTURING INDUSTRIES	120	-0.8	+12.1

## NOTES:

1. FOUR SELECTED COMPONENT INDUSTRIES, WHICH CARRY RELATIVELY LARGE WEIGHTS AND ARE MAJOR COMPONENTS OF THEIR RELEVANT INDUSTRY GROUPS, ARE ALSO INCLUDED IN THE ABOVE TABLE. FOR EASY READING, THE FIGURES OF THESE SELECTED COMPONENT INDUSTRIES ARE SHOWN IN BRACKETS.
2. AS FROM THE FIRST QUARTER OF 1992, THE HONG KONG STANDARD INDUSTRIAL CLASSIFICATION (HSIC) HAS BEEN USED TO FORM THE INDUSTRY GROUPS AND SELECTED COMPONENT INDUSTRIES PRESENTED IN THE ABOVE TABLE. FOR THE EXACT COVERAGE OF THE INDUSTRY GROUPS AND COMPONENT INDUSTRIES IN TERMS OF HSIC CODES, PLEASE REFER TO THE "QUARTERLY INDEX OF INDUSTRIAL PRODUCTION, 2ND QUARTER 1994".

## WIDER PROTECTION FOR INJURED EMPLOYEES PROPOSED

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THE LABOUR DEPARTMENT HAS PROPOSED TO MAKE A NUMBER OF AMENDMENTS TO THE EMPLOYEES' COMPENSATION ORDINANCE (ECO) TO PROVIDE WIDER PROTECTION FOR EMPLOYEES WHO ARE INJURED AT WORK.

DETAILS OF THE PROPOSAL HAVE BEEN INCLUDED IN THE EMPLOYEES' COMPENSATION (AMENDMENT) (NO.2) BILL 1994 WHICH WAS GAZETTED TODAY (FRIDAY).

"UNDER THE PROPOSAL, AN EMPLOYEE WHO IS INJURED WHILE DRIVING OR OPERATING ANY MEANS OF TRANSPORT PROVIDED BY HIS EMPLOYER BETWEEN HIS HOME AND HIS PLACE OF WORK IN CONNECTION WITH HIS EMPLOYMENT WOULD BE ENTITLED TO COMPENSATION," SENIOR LABOUR OFFICER (COMPENSATION) MR CHOW CHEUNG-FAT SAID.

"SIMILARLY, AN EMPLOYEE WOULD BE ENTITLED TO COMPENSATION IF AN ACCIDENT HAPPENS TO HIM WHILE HE IS TRAVELLING BETWEEN HONG KONG AND HIS PLACE OF WORK OUTSIDE HONG KONG BY MEANS OF TRANSPORT ARRANGED BY OR AGREED WITH HIS EMPLOYER."

AT PRESENT, AN EMPLOYEE WHO SUSTAINS INJURY WHEN HE TRAVELS FROM HIS PLACE OF RESIDENCE TO HIS PLACE OF WORK OR VICE VERSA IS NOT ENTITLED TO COMPENSATION UNLESS HE IS TRAVELLING AS A PASSENGER BY MEANS OF TRANSPORT PROVIDED BY THE EMPLOYER.

AS REGARDS MEDICAL EXPENSES, THE AMENDMENT BILL PROPOSED TO GIVE THE COMMISSIONER FOR LABOUR THE POWER TO PROCESS A CLAIM FROM AN EMPLOYEE FOR MEDICAL EXPENSES INCURRED BY HIM OUTSIDE HONG KONG AND TO ASSESS THE AMOUNT OF MEDICAL EXPENSES PAYABLE BY THE EMPLOYER, MR CHOW SAID.

"IT ALSO PROPOSED TO EXTEND THE DEFINITION OF 'MEDICAL EXPENSES' TO INCLUDE THE MEDICAL EXPENSES SO ASSESSED AND OTHER FORMS OF CURATIVE TREATMENT GIVEN BY REGISTERED HEALTH CARE PRACTITIONERS UNDER THE LAWS OF HONG KONG.

"IN ADDITION, IF AN EMPLOYEE IS INJURED WHILE WORKING OUTSIDE HONG KONG AND IS GIVEN MEDICAL TREATMENT OUTSIDE HONG KONG, HIS EMPLOYER IS LIABLE TO PAY FOR THE COST OF A PROSTHESIS OR SURGICAL APPLIANCE REQUIRED BY HIM AS A RESULT OF THE INJURY PROVIDED THAT THE PROSTHESES AND SURGICAL APPLIANCES BOARD (PSAB) GIVES ITS APPROVAL," HE ADDED.

ON THE COST OF ATTENDING TO AN INJURED EMPLOYEE WHO SUFFERS SERIOUS PERMANENT INCAPACITY, MR CHOW SAID IT WAS PROPOSED THAT THE COURT MIGHT AWARD COMPENSATION TO MEET THE COST OF ATTENTION IF THE EMPLOYEE REQUIRED THE CARE OF ANOTHER PERSON.

"WE ALSO PROPOSED TO IMPROVE THE EXISTING PROVISION BY ALLOWING AN EMPLOYER AND HIS INJURED EMPLOYEE TO AGREE ON THE COMPENSATION FOR THE COST OF ATTENTION AND SUBMIT SUCH AN AGREEMENT FOR APPROVAL BY THE COMMISSIONER FOR LABOUR, ON CONDITION THAT THE AMOUNT AGREED SHOULD BE THE STATUTORY MAXIMUM," HE SAID.

TO IMPROVE THE PROTECTION TO EMPLOYEES WHOSE PERIOD OF TEMPORARY INCAPACITY OR SICK LEAVE EXTENDS BEYOND THE STATUTORY CEILING OF 24 MONTHS, MR CHOW SAID THE DEPARTMENT HAD PROPOSED TO PROVIDE THE COURT WITH A DISCRETIONARY POWER TO EXTEND THE MAXIMUM PERIOD IN RESPECT OF WHICH PERIODICAL PAYMENTS WERE PAYABLE BY UP TO 12 MONTHS IN DESERVING CASES.

"WE ALSO PROPOSED AN ADJUSTMENT OF EARNINGS FOR CALCULATING PERIODICAL PAYMENTS AND COMPENSATION IN RESPECT OF TEMPORARY INCAPACITY BEYOND 12 MONTHS OR 24 MONTHS AS APPROPRIATE," HE SAID.

"THE RATE OF EARNING ADJUSTMENT SHALL BE THE AVERAGE RATE OF INCREASE IN THE EARNINGS OF OTHER PERSONS EMPLOYED BY THE EMPLOYER IN SIMILAR EMPLOYMENT, OR WHERE NO OTHER PERSONS ARE EMPLOYED BY THE EMPLOYER IN SIMILAR EMPLOYMENT, THE RATE OF INCREASE IN THE CONSUMER PRICE INDEX (A) FOR THE PRECEDING 12 MONTHS OR 24 MONTHS AS APPROPRIATE," MR CHOW ADDED.

HE NOTED THAT SOME AMENDMENTS WERE PROPOSED TO CLARIFY CERTAIN EXISTING PROVISIONS AND STREAMLINE PROCEDURES.

"THESE INCLUDE CLARIFICATION OF THE CIRCUMSTANCES UNDER WHICH AN INJURED EMPLOYEE IS PROTECTED FROM TERMINATION OF EMPLOYMENT AND THOSE UNDER WHICH AN EMPLOYEE SUFFERING FROM OCCUPATIONAL DISEASE IS ENTITLED TO COMPENSATION," MR CHOW SAID.

"ANOTHER AMENDMENT IS AIMED AT MAKING LESS RESTRICTIVE THE CONDITIONS UNDER WHICH PERIODICAL PAYMENTS ARE PAYABLE TO RECIPIENTS WHO INTEND TO LEAVE HONG KONG," HE ADDED.

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INT'L LABORATORY ACCREDITATION CONFERENCE TO BE HELD IN HK

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THE HONG KONG LABORATORY ACCREDITATION SCHEME (HOKLAS) UNDER THE INDUSTRY DEPARTMENT WILL PLAY HOST TO AN INTERNATIONAL CONFERENCE TO BE ATTENDED BY 200 DELEGATES FROM OVER 30 COUNTRIES FROM OCTOBER 17 TO 21.

ANNOUNCING THIS TODAY (FRIDAY), EXECUTIVE ADMINISTRATOR OF HOKLAS, DR L H NG, SAID: "THE INTERNATIONAL LABORATORY ACCREDITATION CONFERENCE (ILAC) IS A FORUM FOR ESTABLISHING INTERNATIONAL STANDARDS TO GOVERN THE OPERATION OF LABORATORIES, ACCOMPANIED BY NATIONAL ACCREDITATION SCHEMES THAT ENSURE ADHERENCE TO THESE STANDARDS.

"LABORATORY ACCREDITATION HAS ASSUMED INCREASED SIGNIFICANCE WORLDWIDE AS INTERNATIONAL ACCEPTANCE OF TEST RESULTS HAS TAKEN ON GREATER IMPORTANCE IN THE REDUCTION OF TECHNICAL BARRIERS TO TRADE," SHE SAID.

"MOST PRODUCTS ARE TESTED BEFORE THEY ARE MARKETED, EITHER AT THE REQUEST OF PURCHASERS OR REGULATORS.

/"A PRODUCT .....

"A PRODUCT THAT IS DESTINED FOR SALE IN SEVERAL COUNTRIES MIGHT BE SUBJECTED TO A GREAT DEAL OF TESTING AND RETESTING IF LABORATORIES FROM DIFFERENT COUNTRIES DO NOT MEET THE SAME OPERATIONAL STANDARDS.

"ILAC IS TACKLING THIS PROBLEM BY SETTING THE STAGE FOR COUNTRIES TO REACH AGREEMENTS ON MUTUAL RECOGNITION OF TEST RESULTS," SHE ADDED.

HONG KONG HAS ENTERED THROUGH HOKLAS INTO MUTUAL BILATERAL RECOGNITION AGREEMENTS ON LABORATORY ACCREDITATION WITH FIVE MAJOR OVERSEAS LABORATORY ACCREDITATION SCHEMES.

A VOLUNTARY SCHEME LAUNCHED IN 1985, THE PRIME OBJECTIVES OF HOKLAS IS TO UPGRADE THE STANDARDS OF TESTING AND MANAGEMENT OF LABORATORIES, CONFER OFFICIAL RECOGNITION TO COMPETENT LABORATORIES AND PROMOTE THE ACCEPTANCE OF TEST CERTIFICATES FROM ACCREDITED LABORATORIES BOTH LOCALLY AND OVERSEAS.

THE CONFERENCE, TO BE HELD IN HONG KONG FOR THE FIRST TIME SINCE IT WAS ESTABLISHED IN 1977, WILL BE ATTENDED BY REPRESENTATIVES FROM LABORATORY ACCREDITATION SCHEMES, LABORATORIES, STANDARDS BODIES, CERTIFICATION BODIES, INTERNATIONAL ORGANISATIONS AND THOSE WHO ASSIST IN THE DEVELOPMENT OF TRADE POLICIES.

IT WILL BE LAUNCHED WITH AN OPENING CEREMONY ON OCTOBER 17 TO BE OFFICIATED BY THE SECRETARY FOR TRADE AND INDUSTRY, MR T H CHAU.

A SEMINAR ON "MUTUAL RECOGNITION AGREEMENTS" WILL BE HELD ON OCTOBER 20, FEATURING SPEAKERS FROM AUSTRALIA, CANADA, FRANCE, NETHERLANDS, NORWAY, NEW ZEALAND, UNITED KINGDOM AND UNITED STATES.

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ATTENTION NEWS EDITORS:

YOU ARE INVITED TO COVER THE OPENING CEREMONY OF ILAC, SCHEDULED TO BE HELD ON OCTOBER 17 AT 9 AM AT THEATRE 1, HONG KONG CONVENTION AND EXHIBITION CENTRE.

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#### AIRPORT CONSULTATIVE COMMITTEE MEETS

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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 (OCTOBER 17).

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 829 6745 DURING OFFICE HOURS.

/AS SEATING .....

FRIDAY, OCTOBER 14, 1994

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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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MARRIAGE CEREMONY SERVICE TO BE EXTENDED

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THE MARRIAGE REGISTRIES AT COTTON TREE DRIVE, TSIM SHA TSUI AND SHA TIN WILL EXTEND THEIR SERVICE TO COVER THE AFTERNOON FROM 2 PM TO 4.45 PM ON NINE SATURDAYS NEXT YEAR.

THE DATES ARE JANUARY 14, MARCH 4 AND 11, MAY 6, SEPTEMBER 16, OCTOBER 7, AND DECEMBER 2, 9 AND 30.

A SPOKESMAN FOR THE IMMIGRATION DEPARTMENT SAID THIS WAS PART OF THEIR EFFORTS TO FURTHER ENHANCE SERVICE TO THE PUBLIC.

WHEN TWO PEOPLE WISH TO GET MARRIED, IT IS ESSENTIAL FOR THEM TO GIVE A WRITTEN NOTICE OF MARRIAGE ON THE PRESCRIBED FORM IN ADVANCE AT A MARRIAGE REGISTRY, WHETHER THE MARRIAGE IS TO TAKE PLACE AT A MARRIAGE REGISTRY OR IN A LICENSED PLACE OF PUBLIC WORSHIP.

THE NOTICE WILL BE EXHIBITED AT THE MARRIAGE REGISTRY WHERE IT IS GIVEN AND ALSO AT THE MARRIAGE REGISTRATION AND RECORDS OFFICE FOR AT LEAST 15 CLEAR DAYS.

IF NO OBJECTION IS RECEIVED AFTER THAT PERIOD, THE MARRIAGE MAY TAKE PLACE WITHIN A PERIOD OF THREE MONTHS, OTHERWISE THE NOTICE BECOMES VOID AND FRESH NOTICE MUST BE GIVEN.

"IN ORDER TO ENSURE THAT EVERY MEMBER OF THE PUBLIC WILL HAVE A FAIR CHANCE TO CHOOSE A DESIRED DAY FOR MARRIAGE, APPOINTMENTS FOR MARRIAGE CEREMONIES ARE GIVEN ON A FIRST-COME, FIRST-SERVED BASIS," THE SPOKESMAN SAID.

FOR ENQUIRIES, MEMBERS OF THE PUBLIC MAY TELEPHONE 824 6111 OR THROUGH THE FAXLINE 877 7711.

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/43 .....

ACCESS ROAD FOR TSING YI PROPOSED

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THE TERRITORY DEVELOPMENT DEPARTMENT HAS PROPOSED CONSTRUCTING AN ACCESS ROAD IN AREA 3, TSING YI.

THE ROAD, ROAD TY 3/1, WILL BE BUILT ALONG TSING KING ROAD OPPOSITE TSING YI PARK.

THE WORKS ALSO INVOLVE IMPROVEMENT TO THE JUNCTIONS OF EXISTING TSING KING ROAD WITH THE PROPOSED ROAD TY 3/1, CONSTRUCTION OF FOOTWAY, RETAINING WALL, LANDSCAPING, DRAINAGE AND ANCILLARY WORKS.

A NOTICE OF THE PROPOSAL WAS GAZETTED TODAY (FRIDAY).

THE PLAN AND SCHEME SHOWING THE EXTENT OF THE PROPOSED WORKS CAN BE SEEN DURING OFFICE HOURS AT:

- \* THE PUBLIC ENQUIRY SERVICE CENTRE OF THE CENTRAL AND WESTERN DISTRICT OFFICE, GROUND FLOOR, HARBOUR BUILDING, 38 PIER ROAD, CENTRAL, HONG KONG;
- \* THE KWAI TSING DISTRICT OFFICE, 10TH FLOOR, KWAI HING GOVERNMENT OFFICES BUILDING, 166-174 HING FONG STREET, KWAI CHUNG, NEW TERRITORIES, AND
- \* THE KWAI TSING DISTRICT LANDS OFFICE, 10TH FLOOR, TSUEN WAN MTR STATION MULTI-STOREY CARPARK BUILDING, 174-208 CASTLE PEAK ROAD, TSUEN WAN, NEW TERRITORIES.

ANY PERSON WISHING TO OBJECT TO THE PROPOSAL SHOULD WRITE TO THE SECRETARY FOR TRANSPORT, CENTRAL GOVERNMENT OFFICES, EAST WING, SECOND FLOOR, LOWER ALBERT ROAD, CENTRAL, NO LATER THAN DECEMBER 13, DESCRIBING HIS INTEREST AND MANNER IN WHICH HE WILL BE AFFECTED.

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FLOOD MITIGATION WORKS FOR SHENZHEN RIVER

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THE GOVERNMENT WILL REALIGN TWO SECTIONS OF SHENZHEN RIVER WITHIN 14 HECTARES OF FORESHORE AND SEA-BED AT LOK MA CHAU AND LIU POK TO FORM WIDENED AND DEEPENED REALIGNED RIVER CHANNELS.

THE REALIGNMENT IS EXPECTED TO HELP REDUCE THE RISK OF FLOODING IN THE AREA. THE WORK WILL COMMENCE NEXT APRIL AND BE COMPLETED BY ABOUT OCTOBER 1997.

THE EXTENT OF THE AREA AFFECTED IS DESCRIBED IN A NOTICE OF AUTHORISATION IN THE GAZETTE TODAY (FRIDAY).

/THE NOTICE .....

THE NOTICE AND ITS RELATED PLANS CAN BE SEEN AT THE LANDS DEPARTMENT'S SURVEY AND MAPPING OFFICE, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, CENTRAL, HONG KONG; THE NORTH DISTRICT OFFICE, THRID FLOOR, NORTH DISTRICT GOVERNMENT OFFICES, 3 PIK FUNG ROAD, FANLING, NEW TERRITORIES; THE DISTRICT LANDS OFFICE, NORTH, SIXTH FLOOR, NORTH DISTRICT GOVERNMENT OFFICES, 3 PIK FUNG ROAD, FANLING, NEW TERRITORIES; THE YUEN LONG DISTRICT OFFICE, GROUND FLOOR, YUEN LONG DISTRICT OFFICES BUILDING, 269 CASTLE PEAK ROAD, YUEN LONG, NEW TERRITORIES AND THE DISTRICT LANDS OFFICE, YUEN LONG, NINTH FLOOR - 11TH FLOOR, YUEN LONG GOVERNMENT OFFICES AND TAI KIU MARKET, 2 KIU LOK SQUARE, YUEN LONG, NEW TERRITORIES.

ANY PERSON WHO CONSIDERS THAT HIS INTEREST, RIGHT OR EASEMENT IN OR OVER THE FORESHORE AND SEA-BED INVOLVED WILL BE ADVERSELY AFFECTED BY THE WORKS MAY SUBMIT A WRITTEN CLAIM FOR COMPENSATION TO THE DIRECTOR OF LANDS ON OR BEFORE OCTOBER 14, 1995.

HE SHOULD STATE IN HIS SUBMISSION THE SUM OF MONEY WHICH HE IS WILLING TO ACCEPT IN FULL AND FINAL SETTLEMENT OF HIS CLAIM AND SHOULD SUBMIT SUCH PARTICULARS WHICH HE POSSESSES TO SUBSTANTIATE HIS CLAIM.

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#### GRADING OF BEACH WATER QUALITY

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THE ENVIRONMENTAL PROTECTION DEPARTMENT TODAY (FRIDAY) ANNOUNCED GRADES ON THE BACTERIOLOGICAL WATER QUALITY OF ALL 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.

A SPOKESMAN FOR THE DEPARTMENT SAID THE GRADING WOULD BE ANNOUNCED BI-WEEKLY DURING THE BATHING SEASON TO COINCIDE WITH THE FREQUENCY AT WHICH BEACH WATERS WERE USUALLY SAMPLED.

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

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 BACTERIOLOGICAL QUALITY OF BATHING WATERS IN MOST CASES, AS RAIN AND TIDES BRING MORE OR LESS POLLUTION TO THE BEACHES.

/HOWEVER, THE .....

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," THE SPOKESMAN 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 ON WHETHER OR NOT TO CLOSE A BEACH TO SWIMMERS IS BASED ON A JUDGMENT OF WHAT DEGREE OF POLLUTION IS ACCEPTABLE.

NORMALLY, THE CLOSURE OF A BEACH WOULD ONLY BE CONSIDERED BY THE URBAN OR REGIONAL COUNCIL IF 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: 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 1993. 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:

BEACH -----	PREVIOUS GRADING ----- (AS AT 29.9.94)	PRESENT GRADING ----- (AS AT 14.10.94)
<b>HONG KONG SOUTH</b> -----		
BIG WAVE BAY	3	3
CHUNG HOM KOK	1	1
DEEP WATER BAY	2	2
HAIRPIN	2	2
MIDDLE BAY	1	1
REPULSE BAY	1	1
SHEK O	2	2
SOUTH BAY	1	1
ST. STEPHEN'S	2	1
TURTLE COVE	1	1
STANLEY MAIN	3	2
ROCKY BAY	X	X
TO TEI WAN*	1	1
<b>TUEN MUN DISTRICT</b> -----		
OLD CAFETERIA	X	X
NEW CAFETERIA	4	3
CASTLE PEAK	X	X
KADOORIE	3	3
BUTTERFLY	3	3
<b>SAI KUNG DISTRICT</b> -----		
CAMPERS	1	1
CLEAR WATER BAY 1ST BEACH	2	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)	2	1

/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	2	1
TONG FUK	2	1
LO SO SHING	1	1
PUI O	2	1
SILVERMINE BAY	2	3
TUNG WAN, CHEUNG CHAU	2	2
TUNG O*	2	1

TSUEN WAN DISTRICT  
-----

ANGLERS'	X	X
APPROACH	3	3
CASAM	2	2
GEMINI	2	2
HOI MEI WAN	3	2
LIDO	2	2
TING KAU	3	3
TUNG WAN, MA WAN	2	2

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

THE FOLLOWING BEACHES HAVE CHANGED GRADING ON THIS OCCASION:

ST. STEPHEN'S, KWUN YAM WAN, TONG FUK, PUI O, TUNG O, AND TRIO (HEBE HAVEN) FROM "2" TO "1", STANLEY MAIN AND HOI MEI WAN FROM "3" TO "2"; NEW CAFETERIA FROM "4" TO "3", AND SILVERMINE BAY FROM "2" TO "3".

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

NOTE TO EDITORS:

FOR FURTHER ENQUIRIES, PLEASE CONTACT PRINCIPAL ENVIRONMENTAL PROTECTION OFFICER DR M J BROOM ON TEL 835 1234.

KWAI CHUNG OUTLINE ZONING PLAN AMENDED

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THE TOWN PLANNING BOARD TODAY (FRIDAY) ANNOUNCED AMENDMENTS TO THE DRAFT KWAI CHUNG OUTLINE ZONING PLAN (NO. S/KC/9).

TO MAKE PROVISION FOR PUBLIC HOUSING AND SANDWICH CLASS HOUSING DEVELOPMENT, THREE SITES AT KWAI SHING CIRCUIT, NEAR KWAI FUK ROAD AND ADJACENT TO CHO YIU CHUEN, HAVE BEEN REZONED FROM "GOVERNMENT/INSTITUTION/COMMUNITY" TO "RESIDENTIAL (GROUP A)" USE.

OTHER AMENDMENTS INCLUDE THE REZONING OF AN AREA FRONTING CHEUNG WING ROAD FROM "INDUSTRIAL" TO "ROAD" AND A SITE NEAR KWAI FUK ROAD FROM "GOVERNMENT/INSTITUTION/COMMUNITY" TO "OPEN SPACE" TO REFLECT THE EXISTING USES.

THE AMENDMENT PLAN (NO. S/KC/10) IS AVAILABLE FOR PUBLIC INSPECTION UNTIL NOVEMBER 4 FROM THE FOLLOWING OFFICES:

- \* PLANNING DEPARTMENT,  
16TH FLOOR, MURRAY BUILDING,  
GARDEN ROAD, HONG KONG;
- \* TSUEN WAN AND KWAI TSING DISTRICT PLANNING OFFICE,  
27TH FLOOR, TSUEN WAN GOVERNMENT OFFICE,  
38 SAI LAU KOK ROAD, TSUEN WAN,  
NEW TERRITORIES; AND
- \* KWAI TSING DISTRICT OFFICE,  
10TH FLOOR, KWAI HING GOVERNMENT OFFICES BUILDING,  
166-174 HING FONG ROAD, KWAI CHUNG,  
NEW TERRITORIES.

ANY PERSON AFFECTED BY THE AMENDMENT PLAN MAY SUBMIT WRITTEN OBJECTION TO THE SECRETARY OF THE TOWN PLANNING BOARD, C/O PLANNING DEPARTMENT, 13TH FLOOR, MURRAY BUILDING, BEFORE NOVEMBER 4.

COPIES OF THE AMENDMENT PLAN CAN BE BOUGHT AT THE SURVEY AND MAPPING OFFICE, LANDS DEPARTMENT, 14TH FLOOR, MURRAY BUILDING, AND THE KOWLOON MAP SALES OFFICE, 382 NATHAN ROAD, KOWLOON.

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INDOOR GAMES HALL FOR SHEK KIP MEI PARK

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THE ARCHITECTURAL SERVICES DEPARTMENT IS INVITING TENDERS FOR THE DESIGN, SUPPLY AND INSTALLATION OF CURTAIN WALLING, CLADDING, WINDOWS, LOUVRES, ENTRANCE CANOPY AND SUSPENSION RODS AS WELL AS GLASS DOORS FOR AN INDOOR GAMES HALL TO BE BUILT IN SHEK KIP MEI PARK.

THE WORKS ARE SCHEDULED TO COMMENCE NEXT MONTH FOR COMPLETION BY JULY 1996.

/TENDER FORMS .....

FRIDAY, OCTOBER 14, 1994

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TENDER FORMS AND FURTHER PARTICULARS CAN BE OBTAINED FROM THE ARCHITECTURAL SERVICES DEPARTMENT, 34TH FLOOR, QUEENSWAY GOVERNMENT OFFICES, 66 QUEENSWAY, HONG KONG.

TENDER OFFERS WILL CLOSE AT NOON ON NOVEMBER 4.

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HONG KONG MONETARY AUTHORITY  
MONEY MARKET OPERATIONS  
\* \* \* \* \*

	\$ MILLION	TIME (HOURS)	CUMULATIVE CHANGE (\$ MILLION)
	-----	-----	-----
OPENING BALANCE IN THE ACCOUNT	2,277	0930	+215
CLOSING BALANCE IN THE ACCOUNT	2,455	1000	+215
CHANGE ATTRIBUTABLE TO :		1100	+217
MONEY MARKET ACTIVITY	+218	1200	+218
LAF TODAY	-40	1500	+218
		1600	+218
LAF RATE 3.00 BID/5.00 OFFER	TWI 121.4	*-0.4*	14.10.94

HONG KONG MONETARY AUTHORITY

EF BILLS

EF NOTES/HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	4.57	19 MONTHS	2605	6.35	100.06	6.40
1 MONTH	4.64	22 MONTHS	2608	6.15	99.40	6.60
3 MONTHS	4.94	30 MONTHS	3704	6.15	98.12	7.09
6 MONTHS	5.22	33 MONTHS	3707	6.95	99.49	7.28
12 MONTHS	5.86	59 MONTHS	5909	7.45	98.05	8.09

TOTAL TURNOVER OF BILLS AND BONDS - 13,852 MN

CLOSED 14 OCTOBER 1994

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