



# DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES  
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

TUESDAY, JULY 2, 1991

<u>CONTENTS</u>	<u>PAGE NO.</u>
POSITION ON NEW AIRPORT JUST AS IT WAS: GOVERNOR .....	1
DISCIPLINE IN ALLOCATION OF GOVERNMENT RESOURCES NEEDED .....	1
MARINE DEPT FEES AND CHARGES UNDER REVIEW .....	3
SLIGHT DROP IN INDUSTRIAL ACCIDENTS .....	5
FOUR MORE AIDS CASES CONFIRMED .....	6
INTEREST ON TAX RESERVE CERTIFICATES .....	8
DEATH SENTENCES COMMUTED .....	9
HONG KONG GOVERNMENT EXCHANGE FUND .....	10
HONG KONG GOVERNMENT EXCHANGE FUND MONEY MARKET OPERATIONS .....	10

- 1 -

POSITION ON NEW AIRPORT JUST AS IT WAS: GOVERNOR

\* \* \* \* \*

THE ACTUAL POSITION REGARDING THE AIRPORT PROJECT REMAINS EXACTLY AS IT WAS, THE GOVERNOR, SIR DAVID WILSON, SAID TODAY (TUESDAY).

SPEAKING TO REPORTERS AFTER AN EXECUTIVE COUNCIL MEETING, SIR DAVID SAID HE HAD TALKED ABOUT THE PROJECT A GREAT DEAL PUBLICLY AND HE WAS NOT GOING TO ADD TO IT JUST AT THE MOMENT.

HE ADDED THAT HE WAS NOT PROPOSING TO MAKE AN ANNOUNCEMENT.

----- 0 -----

DISCIPLINE IN ALLOCATION OF GOVERNMENT RESOURCES NEEDED

\* \* \* \* \*

IF THE GOVERNMENT IS TO AVOID THE EXPEDIENT OF SPENDING ITS WAY OUT OF SHORT-TERM HEADACHES AND INTO LONG-TERM STRUCTURAL PROBLEMS, THOSE WHO LEAD THE CIVIL SERVICE WILL NEED TO EXERT A GREATER DEGREE OF DISCIPLINE OVER THEMSELVES, THE SECRETARY FOR THE TREASURY, MR K.Y. YEUNG, SAID TODAY (TUESDAY).

SPEAKING AT THE ANNUAL LUNCHEON OF THE FEDERATION OF HONG KONG INDUSTRIES, MR YEUNG SAID SENIOR GOVERNMENT OFFICIALS WOULD ALSO NEED TO THEIR PARTNERS IN THE NEW LEGISLATURE TO DO THE SAME.

HE POINTED OUT THAT THERE WERE SEVERAL WAYS TO ACHIEVE THIS.

"FIRST, WHILE THE EXISTING MACHINERY OF GOVERNMENT IS REASONABLY EFFICIENT AND ADAPTABLE TO CHANGE, THERE IS ROOM FOR CLARIFYING LINES OF ACCOUNTABILITY BETWEEN BRANCH AND HEADS OF DEPARTMENTS AND AGENCIES.

"THE SECRETARIES ARE RESPONSIBLE FOR PROGRAMME AREAS AND ARE RAPIDLY DEVELOPING A MINISTERIAL STYLE OF MANAGEMENT WHILE HEADS OF DEPARTMENTS AND AGENCIES ARE PRIMARILY RESPONSIBLE FOR DELIVERING SERVICES UNDER VARIOUS PROGRAMME AREAS.

"SECONDLY, THE EXISTING SYSTEM OF RESOURCES ALLOCATION MAY HAVE TO CHANGE.

"OUR PRACTICE HAS BEEN FOR FINANCE BRANCH TO ADVISE OTHER BRANCHES EACH YEAR ON THE ABSOLUTE ANNUAL SPENDING LIMITS THAT HAVE TO BE MAINTAINED OVER A GIVEN PERIOD IN THE FUTURE, AND TO DEDUCT FROM THESE LIMITS THE AMOUNTS REQUIRED TO SUSTAIN THE CURRENT LEVEL OF SERVICES.

/"WHATEVER IS .....

"WHATEVER IS LEFT OVER, IF ANYTHING, BECOMES AVAILABLE FOR ALLOCATION BY THE 'STAR CHAMBER' - A COMMITTEE MADE UP OF THE CHIEF SECRETARY, FINANCIAL SECRETARY, THE SECRETARY FOR THE CIVIL SERVICE AND MYSELF - IN ORDER TO MEET GROWING DEMAND FOR SERVICES AND TO FUND NEW INITIATIVES," MR YEUNG SAID.

"WITH INCREASING PRESSURE TO FILL THIS GAP AT A TIME WHEN THE GAP IS NARROWING, IT WILL BECOME NECESSARY FOR US TO RE-THINK THIS PURELY INCREMENTAL APPROACH.

"WE WILL INCREASINGLY HAVE TO LOOK BELOW THE BASELINE OF EXISTING SERVICES, IN ORDER TO FIND SAVINGS FOR RE-DEPLOYMENT," HE SAID.

THESE MAY BE OBTAINED IN A VARIETY OF WAYS, MR YEUNG NOTED.

"THEY INCLUDE MORE COST-EFFICIENT WAYS OF DOING THINGS; REPLACING LABOUR-INTENSIVE PROCESSES IN FAVOUR OF CAPITAL INTENSIVE ONES, AS IN COMPUTERISATION AND ELECTRONIC DATA LINKAGE; AND SCALING BACK OR CANCELLING SERVICES AND BENEFITS WHICH ARE NO LONGER AS BADLY NEEDED AS THEY USED TO BE.

"SUCH CHOICES ARE NOT ALWAYS PLEASANT BUT THEY HAVE TO BE MADE," HE STRESSED.

"AND IF THEY ARE MADE WISELY THEY COULD FREE VALUABLE RESOURCES FOR FUNDING NEW SERVICES OR FOR IMPROVING EXISTING ONES," MR YEUNG SAID.

HE RECALLED THAT WHEN HE WAS THE SECRETARY FOR EDUCATION AND MANPOWER, HE DECIDED TO INCREASE TERTIARY TUITION FEES TO ASSIST TOWARDS THE ENORMOUS COST OF DOUBLING THE PROVISION OF FIRST DEGREE PLACES BY THE MID-1990S.

"I ALSO DECIDED TO SCALE BACK STUDENT TRAVEL SUBSIDIES IN ORDER BOTH TO EXPAND SIXTH FORM EDUCATION AND TO GET ON WITH THE VITAL EDUCATIONAL REFORMS RECOMMENDED IN THE FOURTH REPORT OF THE EDUCATION COMMISSION.

"IN ALL, IN THE 1990 RESOURCE ALLOCATION EXERCISE, I REDUCED ANNUALLY RECURRENT SPENDING IN EDUCATION BY ALMOST \$1.4 BILLION OVER THE FOUR YEARS 1991-92 TO 1994-95, BUT RE-DEPLOYED NEARLY THE SAME AMOUNT TOWARDS THE FUNDING OF REFORMS AND NEW INITIATIVES IN THE SAME PROGRAMME AREA.

"OTHER SECRETARIES HAVE BEEN EXPLORING SIMILAR OPPORTUNITIES BUT I BELIEVE MUCH MORE CAN BE DONE," HE SAID.

TURNING TO PUBLIC REVENUE, MR YEUNG SAID AS THE FINANCIAL SECRETARY, SIR PIERS JACOBS, HAD POINTED OUT IN SEVERAL OF HIS BUDGET SPEECHES, AT SOME TIME IN THE FUTURE HONG KONG WOULD NEED BOTH TO REDUCE ITS DEPENDENCE ON DIRECT TAXATION AND TO "SHOCK PROOF" THE FISCAL SYSTEM.

"ONE WAY OF ACHIEVING THIS WOULD BE TO HAVE A BROAD-BASED CONSUMPTION TAX WITH LOW RATES.

"SUCH A TAX WOULD NOT, OF COURSE, PROTECT US ENTIRELY FROM FALLS IN CONSUMER SPENDING. BUT IT WOULD HAVE THE MERIT OF MAKING OUR REVENUE MUCH MORE RESISTANT TO CYCLICAL FLUCTUATION IN THE PERFORMANCE OF THE ECONOMY.

"IT WOULD ALSO ENABLE US TO PLAN OUR EXPENDITURE PROGRAMMES WITH A GREATER DEGREE OF CONFIDENCE, THUS REDUCING THE RISK OF STOP-GO MEASURES," HE SAID.

MR YEUNG STRESSED THAT THE DECISION HAD NOT BEEN TAKEN THAT HONG KONG SHOULD HAVE SUCH A TAX BUT THIS WAS NOT TO SAY THAT WE WOULD NEVER HAVE ONE.

"BECAUSE OF THE STRUCTURE OF OUR EXISTING TAX SYSTEM, AT PRESENT WE RELY ON DIRECT TAXES FOR ABOUT 60 PER CENT OF OUR ANNUALLY RECURRENT REVENUE.

"SALARIES TAX RAISED ABOUT \$13.1 BILLION IN 1990-91. HIGHER INCOME SALARY EARNERS WHO PAID TAX AT THE STANDARD RATE OF 15 PER CENT COMPRISED JUST 8.3 PER CENT OF ALL SALARY TAXPAYERS, BUT THIS 8.3 PER CENT CONTRIBUTED 55 PER CENT OF THE REVENUE.

"BUSINESS PROFITS TAX RAISED \$21.2 BILLION IN 1990-91. OVER A THIRD OF THIS YIELD CAME FROM JUST 140 BUSINESSES, WHICH TOGETHER ACCOUNT FOR 0.1 PER CENT OF ALL REGISTERED BUSINESSES IN HONG KONG.

"THESE FACTS SERVE TO ILLUSTRATE HOW NARROWLY-BASED OUR TAX SYSTEM IS AT THE PRESENT TIME," HE POINTED OUT.

"A FISCAL SYSTEM WHICH IS SO HEAVILY RELIANT ON SUCH A NARROW BASE OF DIRECT TAXPAYERS IS PARTICULARLY VULNERABLE TO ANY SLOWDOWN IN THE PERFORMANCE OF OUR ECONOMY, AND AS YOU ALL KNOW OUR ECONOMY IS HIGHLY SUSCEPTIBLE TO CYCLICAL CHANGE BECAUSE IT IS SO DEPENDENT ON EXTERNAL TRADE.

"THUS, IF AT ANY FUTURE TIME, WE WERE FACED WITH POOR EXTERNAL TRADE PROSPECTS, A SUSTAINED EROSION OF CONFIDENCE AND IRRESISTIBLE DEMAND TO SPEND MORE, WE COULD GET INTO SERIOUS TROUBLE," HE SAID.

- - - - 0 - - - -

MARINE DEPT FEES AND CHARGES UNDER REVIEW

\* \* \* \* \*

THE FEES AND CHARGES OF THE MARINE DEPARTMENT ARE GENERALLY LOW AND SOMETIMES LACKING IN LOGIC AND IS THEREFORE IN NEED OF A THOROUGH REVIEW, THE DIRECTOR OF MARINE, MR MICHAEL C.C. SZE, SAID TODAY (TUESDAY).

ADDRESSING A LUNCHEON MEETING OF THE CITY LIONS CLUB OF HONG KONG, MR SZE SAID RECENTLY THERE HAD BEEN MUCH DEBATE ON INFLATION AND CRITICISM THAT THE GOVERNMENT WAS FUELING IT THROUGH INCREASES IN FEES AND CHARGES FOR PUBLIC SERVICES.

"THE FINANCIAL SECRETARY HAS NOW DECLARED, AS PART OF THE EFFORT TO COMBAT INFLATION, A MORATORIUM FOR FEE INCREASES FOR NINE MONTHS.

"WE WERE IN THE PROCESS OF REVIEWING OUR FEES WITH THE AIM OF INTRODUCING CHANGES IN OCTOBER 1991 WHEN THE FINANCIAL SECRETARY MADE HIS PRONOUNCEMENT. THUS WHILE ANY FEE INCREASES WE HAVE IN MIND WILL HAVE TO WAIT, THE REVIEW ITSELF MUST GO ON," HE SAID.

MR SZE SAID THE FULL COST OF RUNNING THE MARINE DEPARTMENT WAS ESTIMATED TO BE \$1,020 MILLION FOR 1991/92.

"OF THE FULL COST OF \$1,020 MILLION A YEAR, \$330 MILLION OR ABOUT 30 PER CENT IS SPENT ON SERVICES PROVIDED TO OTHER GOVERNMENT DEPARTMENTS SUCH AS SERVICING POLICE VESSELS AND ON PUBLIC SERVICES WHICH BY THEIR NATURE MUST BE FREE OF CHARGE.

"EXAMPLES OF SUCH PUBLIC SERVICES ARE SEARCH AND RESCUE, PROMOTING SEAFARING CAREERS AND HELPING IN COURT PROCEEDINGS ON MARINE ACCIDENTS," HE SAID.

"THE BALANCE, 70 PER CENT OR ALMOST \$700 MILLION, GOES TO SERVICES AS DIVERSE AS OPERATING THE TWO MARINE TERMINALS AT TSIM SHA TSUI AND CENTRAL, PUBLIC CARGO WORKING AREAS, ENSURING THE SAFETY OF SHIPS, CARGOES AND PASSENGERS, CLEANING THE HARBOUR AND ADMINISTERING THE AUTONOMOUS HONG KONG SHIPPING REGISTER," HE ADDED.

MR SZE SAID THE CLIENTELE OF THIS LATTER GROUP OF SERVICES WAS EASILY IDENTIFIED AND GIVEN THE COMMERCIAL NATURE OF MOST OF THESE ACTIVITIES THERE WAS NO REASON WHY THE COST OF PROVIDING THESE SERVICES SHOULD NOT BE RECOVERED IN FULL.

"HOWEVER, GIVEN THE HISTORICAL NATURE OF SOME OF THESE FEES FULL COST RECOVERY COULD ONLY BE ACHIEVED THROUGH A PHASED PROGRAMME OF MODERATE INCREASES AS A DRAMATIC INCREASE IS UNLIKELY TO BE ACCEPTABLE TO THE EXECUTIVE COUNCIL OR THE PUBLIC," HE SAID.

"THUS DESPITE THE FAIRLY SIZEABLE (IN PERCENTAGE TERMS) INCREASES IN FEES IN THE PAST TWO YEARS, I EXPECT TO SEE A NET DEFICIT OF SOME \$99 MILLION IN THE CURRENT FINANCIAL YEAR."

MR SZE SPOKE ON "UNREALISTIC FEES" FOR PUBLIC CARGO WORKING AREAS AND THE GENERALLY LOW LICENCE FEES FOR LOCAL CRAFT.

HE SAID THE FEW AREAS WHERE THE MARINE DEPARTMENT CURRENTLY HAD AN OPERATIONAL SURPLUS WERE THE MACAU AND CHINA FERRY TERMINALS AND HARBOUR MOORING BUOYS FOR OCEAN-GOING SHIPS.

MR SZE SAID THE AIM BEING THAT AS A FIRST STEP THE CURRENT SUBSIDY THAT THE MARITIME SECTOR CURRENTLY ENJOYED BY DEFAULT SHOULD BE QUICKLY REMOVED.

"THE SECOND STEP WOULD BE FOR SURPLUS MADE IN SOME ACTIVITIES, FOR EXAMPLE FERRY TERMINALS TO PAY FOR THE COST OF SERVICES THAT WILL CONTINUE TO BE PROVIDED FREE.

"THE HOPE IS THAT ONE DAY THE DEPARTMENT'S INCOME FROM ITS FEES AND CHARGES WOULD PAY FOR ALL ITS ACTIVITIES," HE SAID.

SLIGHT DROP IN INDUSTRIAL ACCIDENTS

\* \* \* \* \*

THERE IS A SLIGHT DECREASE IN THE TOTAL NUMBER OF INDUSTRIAL ACCIDENTS IN THE FIRST QUARTER OF THE YEAR.

ACCORDING TO STATISTICS RELEASED BY THE LABOUR DEPARTMENT TODAY (TUESDAY), 8,709 INDUSTRIAL ACCIDENTS WITH 11 FATALITIES WERE REPORTED BETWEEN JANUARY AND MARCH.

"THIS REPRESENTS AN OVERALL DROP OF 0.8 PER CENT FROM THE 8,783 ACCIDENTS WITH 12 FATALITIES RECORDED DURING THE SAME PERIOD LAST YEAR," CHIEF FACTORY INSPECTOR YIP YUK-LUN SAID.

MR YIP SAID THE DECREASE WAS MAINLY IN THE MANUFACTURING INDUSTRY, DOWN FROM 3,827 ACCIDENTS TO 3,567.

"THE GREATEST DECREASE WAS IN THE TEXTILES INDUSTRY, DOWN FROM 737 TO 479 ACCIDENTS, FOLLOWED BY THE ELECTRONICS INDUSTRY FROM 190 TO 135 AND THE PLASTIC INDUSTRY FROM 226 TO 173," MR YIP SAID.

HOWEVER, MR YIP CAUTIONED THAT THE CONSTRUCTION INDUSTRY CONTINUED TO RECORD THE HIGHEST NUMBER OF ACCIDENTS DURING THE PERIOD.

"WITH AN INCREASE FROM 4,109 TO 4,143 ACCIDENTS, THE INDUSTRY ALONE ACCOUNTED FOR 10 OF THE 11 FATALITIES IN ALL INDUSTRIES," HE NOTED.

"THESE INCLUDED THREE CONSTRUCTION WORKERS KILLED IN FALLS FROM HEIGHT, TWO BY MACHINERY, ONE BY TRANSPORT, ONE BY FALLING OBJECTS, ONE BY ELECTRICITY, ONE BY COLLAPSED SOIL, AND ONE AS A RESULT OF STEPPING OR STRIKING AGAINST OBJECTS," HE SAID.

MR YIP ALSO EXPRESSED CONCERN ABOUT THE SITUATION IN THE MINING AND QUARRYING, UTILITIES, TRANSPORT AND SERVICING INDUSTRIES, WHICH REGISTERED A 17.9 PER CENT INCREASE FROM 847 TO 999 ACCIDENTS.

ON THE MAJOR CAUSES OF THE INDUSTRIAL ACCIDENTS, HE SAID THEY WERE GENERALLY SIMILAR TO THOSE IN PREVIOUS YEARS.

"THEY INCLUDED STEPPING ON OR STRIKING AGAINST OBJECTS (2,848 CASES), MANUAL LIFTING OF WEIGHTS (1,581 CASES), USE OF MACHINERY (1,268 CASES), FALL OF PERSONS (1,095 CASES), FALLING OBJECTS (585 CASES) AND USE OF HAND TOOLS (531 CASES).

"THE OTHERS RELATED TO TRANSPORT, EXPLOSION OR FIRE, HOT OR CORROSIVE SUBSTANCES, ELECTRICITY, GAS POISONING AND OTHER TOXIC SUBSTANCES, AND COLLAPSED SOIL," HE ADDED.

TO PREVENT ACCIDENTS, MR YIP SAID PROPRIETORS AND WORKERS SHOULD JOIN HAND AND MAKE A BIGGER EFFORT IN ENSURING SAFETY AT WORK.

TUESDAY, JULY 2, 1991

- 6 -

FOUR MORE AIDS CASES CONFIRMED

\* \* \* \* \*

FOUR MORE MEN WERE CONFIRMED TO BE SUFFERING FROM AIDS (ACQUIRED IMMUNE DEFICIENCY SYNDROME), THE DEPARTMENT OF HEALTH ANNOUNCED TODAY (TUESDAY).

THIS BRINGS THE TOTAL NUMBER OF AIDS CASES IN HONG KONG TO 53. THREE OF THE NEW AIDS PATIENTS ACQUIRED THE DISEASE SEXUALLY WHILE THE OTHER IS A HAEMOPHILIAC.

SO FAR, 36 AIDS PATIENTS HAVE PASSED AWAY WHILE 17 OTHERS ARE EITHER UNDER COUNSELLING AND TREATMENT OR HAVE LEFT HONG KONG.

RELEASING THE MONTHLY STATISTICS ON AIDS SURVEILLANCE PROGRAMME FOR MAY, A SPOKESMAN FOR THE DEPARTMENT SAID NINE MORE MEN WERE FOUND TO BE POSITIVE FOR THE HIV ANTIBODY TEST, BRINGING TO 180 THE TOTAL NUMBER OF HIV CARRIERS WHO HAVE NOT YET DEVELOPED AIDS.

OF THESE, 53 WERE HAEMOPHILIACS, 105 ACQUIRED THE INFECTION SEXUALLY, FOUR WERE DRUG ABUSERS, THREE ACQUIRED THE INFECTION THROUGH BLOOD TRANSFUSION AND THE INFORMATION FOR THE OTHER 15 WAS INADEQUATE FOR CLASSIFICATION.

UNDER THE AIDS SURVEILLANCE PROGRAMME WHICH STARTED IN 1985, A TOTAL OF 195,606 BLOOD SPECIMENS HAVE BEEN TESTED FOR THE AIDS VIRUS.

THE HONG KONG RED CROSS BLOOD TRANSFUSION SERVICE HAS ALSO SCREENED ALL BLOOD DONORS FOR AIDS.

UP TO MAY, 898,255 UNITS OF BLOOD HAD BEEN TESTED OF WHICH 16 WERE FOUND POSITIVE.

- - - - -

/7 .....

- 7 -

愛滋病抗體檢驗  
AIDS Virus (HIV) Antibody Testing  
病毒組 衛生署  
Virus Unit, Department of Health

	Apr 85-Apr 91		May 91		Total	
	No. tested*	No. +ve	No. tested*	No. +ve	No. tested*	No. +ve
經由政府診所及醫院轉介 Referrals from Govt. hospitals and clinics	16264	81	261	6	16525	87
經由私家醫生及輔助醫院轉介 Referrals from private practitioners and subvented hospitals	2186	45	32	1	2218	46
前往社區衛生科診所求診人次 Attendances at social hygiene clinics	167008	32	2662	2	169670	34
血友病患者 Haemophiliacs	502	60	10	0	512	60
濫用靜脈注射毒品者 IV drug abusers	5371	1	174	0	5545	1
經由家庭計劃協會轉介 Referrals from Family Planning Association	220	0	3	0	223	0
健康護理人員 Health care personnel	891	0	22	0	913	0
<b>總數</b> TOTAL	192442	219	3164	9	195606	228

\* This indicates the number of specimens and not persons as tests are repeated for certain individuals.

	Aug 85-Apr 91		May 91		Total	
	No. tested	No. +ve	No. tested	No. +ve	No. tested	No. +ve
香港紅十字會輸血服務 Hong Kong Red Cross Blood transfusion Service	884389	16	13866	0	898255	16

Department of Health  
June 1991

- - - - 0 - - - -

## INTEREST ON TAX RESERVE CERTIFICATES

\* \* \* \* \*

THE FINANCIAL SECRETARY HAS AUTHORISED A DECREASE IN THE RATE OF INTEREST PAYABLE ON TAX RESERVE CERTIFICATES. A LEGAL NOTICE TO THIS EFFECT WAS PUBLISHED IN THE GAZETTE YESTERDAY (MONDAY).

AS FROM TOMORROW (WEDNESDAY) THE NEW ANNUAL RATE OF INTEREST WILL BE 6.60 PER CENT (TAX FREE) AS AGAINST THE CURRENT RATE OF 7.56 PER CENT (TAX FREE).

INTEREST ON TAX RESERVE CERTIFICATES IS CALCULATED IN MONTHLY STEPS AND THE NEW RATE WILL BE \$0.55 PER MONTH PER \$100. INTEREST WILL BE CREDITED AS BEFORE IN RESPECT OF COMPLETE MONTHS BETWEEN PURCHASE AND SURRENDER IN PAYMENT OF TAX.

INTEREST IS ONLY CREDITED WHEN CERTIFICATES ARE USED TO PAY TAX AND NO INTEREST IS DUE WHERE THE PRINCIPAL VALUE OF A CERTIFICATE IS REPAID BY A CHEQUE.

THE NEW RATE WILL APPLY TO ALL CERTIFICATES ISSUED ON OR AFTER TOMORROW.

CERTIFICATES WHICH WERE ISSUED BEFORE TOMORROW WILL CONTINUE TO EARN INTEREST AS FOLLOWS:

6.84 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER DECEMBER 7, 1988 AND BEFORE FEBRUARY 15, 1989;
7.32 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER FEBRUARY 15, 1989 AND BEFORE MARCH 8, 1989;
7.80 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER MARCH 8, 1989 AND BEFORE MARCH 22, 1989;
8.28 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER MARCH 22, 1989 AND BEFORE JUNE 22, 1989;
7.80 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER JUNE 22, 1989 AND BEFORE JULY 12, 1989;
7.32 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER JULY 12, 1989 AND BEFORE AUGUST 9, 1989;
6.84 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER AUGUST 9, 1989 AND BEFORE MARCH 7, 1990;
7.08 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER MARCH 7, 1990 AND BEFORE APRIL 4, 1990;
8.04 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER APRIL 4, 1990 AND BEFORE AUGUST 15, 1990;

/7.56 PER CENT .....

7.56 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER AUGUST 15, 1990 AND BEFORE OCTOBER 24, 1990;
7.08 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER OCTOBER 24, 1990 AND BEFORE JANUARY 30, 1991;
6.60 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER JANUARY 30, 1991 AND BEFORE MAY 29, 1991; AND
7.56 PER CENT	PER ANNUM FOR CERTIFICATES ISSUED ON OR AFTER MAY 29, 1991 AND BEFORE JULY 3, 1991.

BUT ALWAYS SUBJECT TO THE GENERAL RULE THAT INTEREST CEASES TO ACCRUE AFTER 36 COMPLETE MONTHS WITHOUT SURRENDER FOR PAYMENT OF TAX.

EXAMPLE: \$1,000 CERTIFICATES PURCHASED ON JULY 3, 1991, AUGUST 3, 1991 AND SEPTEMBER 3, 1991 RESPECTIVELY, SURRENDERED IN PAYMENT OF TAX DUE ON OCTOBER 2, 1991 WILL HAVE INTEREST CALCULATED AS FOLLOWS:

ON \$1,000, JULY 3, 1991 TO OCTOBER 2, 1991 THREE COMPLETE MONTHS AT \$5.50 PER MONTH	= \$16.50
ON \$1,000, AUGUST 3, 1991 TO OCTOBER 2, 1991 TWO COMPLETE MONTHS AT \$5.50 PER MONTH	= \$11.00
ON \$1,000, SEPTEMBER 3, 1991 TO OCTOBER 2, 1991 ONE COMPLETE MONTH AT \$5.50 PER MONTH	= \$ 5.50
	-----
	\$33.00

----- 0 -----

#### DEATH SENTENCES COMMUTED

\* \* \* \* \*

THE GOVERNOR, AFTER TAKING INTO CONSIDERATION THE ADVICE OF THE EXECUTIVE COUNCIL, HAS DECIDED THAT THE DEATH SENTENCES PASSED ON YEUNG KOO AND CHEUNG YAU-TOR ON MARCH 24, 1988 SHOULD BE COMMUTED TO SENTENCES OF LIFE IMPRISONMENT.

YEUNG AND CHEUNG WERE FOUND GUILTY OF THE MURDER OF MR KUAN YANG-TCHE AND HIS WIFE MRS KUAN CHAN MAN-YEE.

----- 0 -----

TUESDAY, JULY 2, 1991

- 10 -

HONG KONG GOVERNMENT EXCHANGE FUND

HKEG

\* \* \* \* \*

EXCHANGE FUND BILLS TENDER RESULTS --- TUESDAY 2 JULY 1991

ISSUE NUMBER	Q127
AMOUNT APPLIED	HKD 1,622 MN
AMOUNT ALLOTTED	HKD 400 MN
AVERAGE ACCEPTED YIELD	6.48 PCT
HIGHEST ACCEPTED YIELD	6.49 PCT
PRO RATA RATIO	ABOUT 53 PCT

HONG KONG GOVERNMENT EXCHANGE FUND

HKEH

NEXT TENDER OF EXCHANGE FUND BILLS --- TUESDAY 9 JULY 1991

ISSUE NUMBER	Q128	H168
ISSUE DATE	10 JUL 91	10 JUL 91
MATURITY DATE	9 OCT 91	8 JAN 92
TENOR	91 DAYS	182 DAYS
AMOUNT ON OFFER	HKD 400 + 80 MN	HKD 200 + 60 MN

----- 0 -----

HONG KONG GOVERNMENT EXCHANGE FUND  
MONEY MARKET OPERATIONS

\* \* \* \* \*

	DATE	\$ MILLION
	----	-----
CLOSING BALANCE IN THE ACCOUNT ON	1.7.91	480
EFFECT OF FORWARDS TO BE SETTLED ON	2.7.91	NEUTRAL
EFFECT OF OPERATIONS THIS MORNING		NEUTRAL
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL
TRADE WEIGHTED INDEX 114.2 *+0.2* 2.7.91		

/HONG KONG .....

TUESDAY, JULY 2, 1991

- 11 -

HONG KONG GOVERNMENT EXCHANGE FUND

CLOSING YIELDS OF EXCHANGE FUND BILLS

		2.7.91	1.7.91
MATURING IN	1 WEEK	6.87 PCT	7.53 PCT
	1 MONTH	6.49 PCT	6.83 PCT
	3 MONTHS	6.40 PCT	6.70 PCT
	6 MONTHS	6.36 PCT	6.61 PCT
	12 MONTHS	6.63 PCT	6.76 PCT
TOTAL BILLS TRANSFERRED		3,965 MN	7,705 MN

----- 0 -----