



DAILY INFORMATION BULLETIN

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Transport study for new airport

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A government commissioned Transport Study for the New Airport (TRANSNA) recommended that the Airport Railway would be the principal mode of transport to Lantau, said the Deputy Secretary for Transport, Mr Isaac Chow.

"In addition to feeder services to the Airport Railway, a wide range of choices of public transport services will be provided," he added.

At a press conference today (Monday) on TRANSNA which outlined the proposed public transport strategy, Mr Chow explained that the study was aimed at developing a strategy for the provision of public transport services to the new airport and Lantau for the period from 1997 to 2006.

"The study has resulted in the drawing up of a number of preliminary proposals covering a wide range of transport modes and taking into account passenger demand, financial viability, public acceptability and fare levels," he noted.

Mr Chow emphasised that the Government would conduct an extensive public consultation exercise during which the preliminary proposals would be presented to Transport Advisory Committee, District Boards, the LegCo Panel on Transport, the Sub-committee on Traffic and Transport of the Airport Consultative Committee and other main airport users and transport operators.

"The Government will take into account comments and views of various sectors in finalising the study recommendations," he said.

He pointed out that according to the proposed public transport strategy, Airbuses, conventional buses, high-speed ferries and taxis including urban, New Territories and Lantau taxis would complement the Airport Railway. On the Airport Railway, Mr Chow said it would consist of two separate services, the Airport Express Line (AEL) and the Lantau Line (LAL).

"The AEL will provide a high quality premium fare service for air passengers, greeters and well-wishers. It will run from Central to the new airport with two stops at Tsing Yi and West Kowloon Reclamation.

"The LAL will provide a conventional MTR service for airport workers and people living and working on Lantau. There will be six stations, providing access to the bus and rail lines in the urban area," he said.

Mr Chow said Airbuses, conventional buses, high-speed ferries and taxis would also be important components in the public transport strategy.

"The Airbus routes will serve major hotel and commercial areas while the conventional franchised bus services will cater for workers at the new airport and residents of Tung Chung New Town travelling to Kowloon and the New Territories," he said.

"It is proposed that the commencement of the Airbus services would coincide with the opening of the new airport while the introduction of two new external bus routes would coincide with the demand brought about by the completion of the first public housing blocks in Tung Chung New Town in June 1997."

Mr Chow said the provision of the Airbus and conventional bus services would be tendered out as would be the high-speed ferry service between Chek Lap Kok and Tuen Mun.

Commenting on the operation of taxi services, Mr Chow pointed out that all three classes of taxis would be permitted to access the Ground Transportation Centre (GTC) but only urban taxis would be allowed to access other parts of Chek Lap Kok Island and Tung Chung New Town.

"For NT taxis, they will also be permitted to serve Tsing Yi Airport Railway Station to enable passengers to interchange for Airport Railway to the new airport, Tung Chung New Town and the urban areas.

"The Lantau taxis, besides accessing the GTC, will be permitted to pick-up and drop-off passengers at Tung Chung village areas, the public transport interchange at the Airport Railway Station and the clinic in Tung Chung New Town," he said.

Mr Chow added that the consultant had considered carefully the functions of the three different classes of taxis and many other factors before coming up with the taxi-related proposals.

He reiterated that these were preliminary proposals and the Government would consult all interested parties and take into account their comments in making a decision on the final recommendations.

End

EC chairman appeals for public views on draft report

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The Chairman of the Education Commission, Professor Rosie Young, today (Monday) renewed her appeal to all sectors of the community to give their views on the commission's Report No 6 "Enhancing Language Proficiency: A Comprehensive Strategy", which was released last week for public consultation until January 31, 1996.

Speaking to the press after a meeting of the commission, Professor Young pointed out that views of the community were very important to the commission in finalising the recommendations to be submitted to the Administration in early 1996.

Professor Young said she was pleased with the initial response to the draft report, adding that a series of briefings would be held during the consultation exercise for the teaching profession, parents, business communities and district boards to gauge their views.

A concise leaflet highlighting the background and the major recommendations of the draft Education Commission Report No 6 has been produced. Copies of the leaflet and the main report are available for public collection from District Offices and sub-offices of the Education Department.

At the meeting, the Board of Education reported on the progress of the review on compulsory education and the Working Group on General Teaching Council also gave a progress report on its work.

End

Action called on Education Commission Report No 6

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The Board of Education (BOE) has called on the Government to act without delay on the recommendations in the recently published Education Commission Report No 6 in order to improve the quality of education.

At a meeting of the board today (Monday), the Chairman of the Education Commission, Prof Rosie Young, briefed BOE members on the recommendations in Education Commission Report No 6.

Board members were told that there would be a six-week public consultation and members of the public had been encouraged to submit their views.

BOE members generally felt that, in preparing the report, the Education Commission Working Group on Language Proficiency had conducted wide consultation on various sectors and that the report was very comprehensive.

However, they suggested that the Government should consider making preparations, while awaiting the final report, to carry out remedial measures proposed in Report No 6 to prepare for the full implementation of those recommendations.

On a separate issue, the Chief Executive of the Curriculum Development Institute, Dr Julian Leung, informed the meeting that an Ad hoc Working Group on the Review of the Guidelines on Civil Education was formed in March with members from schools, tertiary institutes, Education Department and organisations active in promoting civil education.

The draft guidelines were finalised last month. It will be issued to schools and concerned groups for consultation.

"A series of seminars on the Guidelines will be organised in January and February 1996 to brief schools and institutions concerned on the draft Guidelines and to collect their preliminary feedback. The plan is to submit the final draft of the Guidelines to the Curriculum Development Council for consideration next April. If endorsed, the new Guidelines will be adopted for use in September 1996," Dr Leung added.

Meanwhile, BOE members noted a progress report prepared by the Advisory Committee on School Administration and Finance.

End

Results of 1995 Survey of the Derivatives Market in HK

The Hong Kong Monetary Authority (HKMA) has conducted for the first time a survey on the size of the derivatives market in Hong Kong. The results are summarised in the table below -

Hong Kong is the world's fifth largest trading centre for foreign exchange derivatives in the world. The average turnover amounted to US\$56 billion per business day during April 1995, after adjustment to eliminate double counting between reporting institutions in Hong Kong (1). This represented about 6% of the global total.

The interest rate derivatives market of Hong Kong ranked eighth in the world, with an average turnover of US\$18 billion per day in April 1995.

The following table shows the turnover and stock (that is outstanding amount of contracts) figures for different types of derivatives. As shown from the table, foreign exchange and interest rate derivatives were far more frequently used than derivatives on equities, stock indices and commodities.

(US\$ billion)

Type of derivatives	Average daily turnover during April 1995	Outstanding amount at end March 1995		
		Notional amount		Market value
		All	OTC only	OTC only
Foreign exchange	56	970	966	60
Interest rate	18	666	477	6
Equity and stock index	N.A.	6	5	1
Commodity	N.A.	2	1	0
Total	74	1,644	1,450	67

The market value of outstanding derivatives contracts was very small as compared to the notional amount, reflecting the large amount of leverage possible in using derivatives.

The foreign exchange derivatives were more frequently traded than interest rate derivatives, as indicated by the higher ratio of the turnover to the stock.

In respect of counterparties, the majority of both foreign exchange derivatives and interest rate derivatives were traded with overseas banks.

As regards the maturity structure of contracts, nearly all of the foreign exchange derivatives had maturities of less than one year. As for interest rate derivatives, the majority (78%) had maturities of less than one year but a considerable proportion (22%) had longer maturity of over one year. This is in line with the frequent use of interest rate derivatives in hedging interest rate exposures arising from long term financial assets such as bonds.

Similar to the global pattern, the most common currency pairs for foreign exchange derivatives were US dollar/Japanese yen and US dollar/Deutschemark while for interest rate derivatives, US dollar and Japanese yen interest rates were the most common. Regarding equity and stock index derivatives, the majority had Hong Kong equities and the Hang Seng Index as the underlying assets. As regards commodity derivatives, gold was the most common underlying commodity.

For foreign exchange derivatives, forwards (including both outright forwards and foreign exchange swaps) was the most commonly traded type of contract with over 90% of turnover. As for interest rate derivatives, futures accounted for about three quarters of the turnover, followed by interest rate swaps (10%) and forward rate agreements (9%). However, options was most popular for equity and stock index derivatives (86% of outstanding notional amount) and commodity derivatives (77% of outstanding notional amount).

Background

The survey is part of a global survey in April 1995 co-ordinated by the Bank for International Settlements (BIS). For the first time questions on derivatives were added to the triennial survey of the foreign exchange market. (The results on foreign exchange activities were released in September 1995 and described in detail in an article in the November issue of the HKMA's Quarterly Bulletin.)

The survey covered all authorised institutions in Hong Kong, which included 178 licensed banks, 62 restricted licence banks and 136 deposit taking companies. Several financial institutions which are major securities firms or investment houses were also invited to participate in the survey. A total of 26 countries participated in the global survey. BIS will also release preliminary global results today and final results in 1996.

Further information about the survey results will be contained in the February 1996 issue of the HKMA Quarterly Bulletin.

(1) All turnover and stock figures are adjusted to eliminate double counting between institutions in Hong Kong, unless otherwise specified.

End

AFD seizes endangered species

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Officers of the Agriculture and Fisheries Department, acting on information, raided two market stalls in Kowloon last week and seized a number of endangered species.

During the raid on Thursday, a market stall in Kowloon was searched. As a result, two bear paws, three live giant salamanders and two pangolin carcasses were seized.

On Friday, the department's officers conducted another raid and seized one live pangolin, one live giant salamander, five live owls, three otter carcasses, two pangolin carcasses and 1.6 kilograms of pangolin scales. Investigations into these two cases are continuing. It is believed that the items are for food purposes.

A Conservation Officer of the department, Dr So Ping-man, said among the seized items, bear paws and giant salamanders were listed on Appendix I (highly endangered species) under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the rest were on Appendix II (endangered species).

Dr So said people convicted of illegal possession of highly endangered species items for commercial purpose would be liable to a maximum fine of \$5 million plus two years' imprisonment, and for endangered species items, a \$500,000 fine plus one year's imprisonment.

Dr So took the opportunity to appeal to members of the public that they should refrain from consuming endangered species to help conserving these species. If they come across any market stall or restaurant which is suspected of selling endangered species illegally, they should report to the Fauna Conservation Section of the Agriculture and Fisheries Department on 2733 2144.

Subject to their health conditions, the live animals seized in the raids will be released to the wild, or kept in rescue centre, either locally or overseas as appropriate.

End

Two lots of land up for auction

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The Lands Department will auction two lots of land on Hong Kong Island tomorrow (Tuesday).

The public auction will begin at 2.30 pm in the Concert Hall of the Hong Kong Cultural centre, Tsim Sha Tsui.

The first lot, located in Stubbs Road, has an area of 3,045 square metres for private residential use.

Located in 44 Jardine's Crescent, Causeway Bay, the second lot has an area of 550 square metres for non-industrial use, excluding godown.

End

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 90.6 per cent of capacity or 531.224 million cubic metres.

This time last year the reservoirs contained 454.249 million cubic metres of water, representing 77.5 per cent of capacity.

End

Deadline for applying for financial assistance by farmers

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Livestock farmers in certain control areas who wish to apply for financial assistance under the Livestock Waste Control Scheme (LWCS) should submit their applications by the end of this month.

The affected areas include the corridor between Tuen Mun and Yuen Long and part of Yuen Long and Kam Tin River areas.

An acting Principal Environmental Protection Officer of the Environmental Protection Department (EPD), Mr Wong Ho-yan, said: "Existing livestock farmers in these control areas who wish to continue their business can apply for Capital Grant (CG) and low-interest loans to cover the cost of waste treatment system in order to comply with the regulatory requirement under the Waste Disposal Ordinance, while those who prefer to cease business can apply for Ex-gratia Allowance (EGA)."

Letters had been sent in August this year to all affected farmers informing them of the deadline for applications.

"Farmers in these areas are reminded to keep all relevant documents, such as receipts of purchase of feedstuff and sale of livestock, if they wish to apply for financial assistance under the LWCS," Mr Wong said.

Some \$760 million of EGA and \$16 million of CG had been given to eligible farmers since the LWCS was implemented in phases in 1988.

Operators of livestock farms in the affected areas who have not received the letters should contact EPD on 2685 1148. Application forms are obtainable from the department's Local Control office (Territory North), second floor, On Wo House, Tai Wo Estate, Tai Po.

Late applications will not be accepted.

End

Hong Kong Monetary Authority tender results

Tender date	18 Dec 1995
Paper on offer	EF notes
Issue number	5012
Issue date	19 Dec 1995
Maturity date	19 Dec 2000
Coupon	6.38 PCT
Amount applied	HK\$1,410 MN
Amount allotted	HK\$500 MN
Average price accepted (yield)	99.94 (6.50 PCT)
Lowest price accepted (yield)	99.90 (6.51 PCT)
Pro rata ratio	About 25 PCT
Average tender price (yield)	99.86 (6.52 PCT)
End	

Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
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Opening balance in the account	1,683	0930	-246
Closing balance in the account	2,381	1000	-247
Change attributable to :		1100	-276
Money market activity	-251	1200	-250
LAF today	+949	1500	-250
		1600	-251

LAF rate 4.25% bid/6.25% offer TWI 122.5 *-0.1* 18.12.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.85	2 years	2711	5.60	99.95	5.70
1 month	5.83	3 years	3810	6.15	100.72	5.96
3 months	5.68	5 years	5009	6.95	102.44	6.44
6 months	5.64	7 years	7211	6.82	100.41	6.86
12 months	5.59	5 years	M502	7.30	102.28	6.86

Total turnover of EF bills and notes - \$5,524 million

Closed December 18, 1995

End