



DAILY INFORMATION BULLETIN

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TUESDAY, JULY 24, 1990

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NEW APPOINTMENT WILL NOT AFFECT PEKING VISIT : MAUDE

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MR FRANCIS MAUDE SAID HIS NEW APPOINTMENT AS FINANCIAL SECRETARY TO THE TREASURY WILL NOT AFFECT HIS VISIT TO PEKING.

SPEAKING TO REPORTERS AFTER ATTENDING AN EXECUTIVE COUNCIL MEETING THIS (TUESDAY) MORNING, MR MAUDE SAID HE HAD BEEN VERY MUCH ASSOCIATED WITH THE BRITISH GOVERNMENT'S POSITION ON THE NATIONALITY PACKAGE FOR HONG KONG PEOPLE SO HE WAS AS WELL PLACED AS ANYONE COULD BE TO EXPLAIN THESE POLICIES TO THE CHINESE GOVERNMENT.

MR MAUDE POINTED OUT THAT BOTH THE PRIME MINISTER, MRS MARGARET THATCHER, AND THE SECRETARY FOR FOREIGN AFFAIRS, MR DOUGLAS HURD, ATTACHED HIGH IMPORTANCE TO HIS VISIT TO PEKING.

"THEY WERE QUITE CLEAR THAT I SHOULD GO AHEAD AND MAKE THE VISIT ANYWAY. BUT I THINK THAT WILL BE UNDERSTOOD BY PEKING," HE ADDED.

ON HIS NEW APPOINTMENT, MR MAUDE SAID HE WAS VERY DELIGHTED TO BE HONOURED WITH SUCH A SENIOR POST BUT HE HAD VERY MIXED FEELINGS ABOUT IT.

"LARGELY BECAUSE MY RESPONSIBILITIES FOR BRITISH GOVERNMENT'S POLICY TOWARDS HONG KONG OVER THE LAST YEAR HAVE BEEN VERY STIMULATING FOR ME.

"IT HAS NOT BEEN AN EASY YEAR IN HONG KONG'S LIFE. THERE HAVE BEEN SOME VERY TOUGH DECISIONS WE HAVE TO FACE. I BELIEVE I'M VERY GLAD TO HAVE THE CHANCE TO BE SO CLOSELY INVOLVED IN THESE DECISIONS.

"AND I'M SAD THAT I SHALL NO LONGER BE SO CLOSELY INVOLVED WITH HONG KONG. BUT I'VE MADE LOTS OF FRIENDS HERE AND HONG KONG HAS A VERY PROMINENT PLACE IN MY AFFECTION," MR MAUDE SAID.

THE GOVERNOR, SIR DAVID WILSON, WHEN ASKED BY REPORTERS TO COMMENT ON MR MAUDE'S APPOINTMENT, SAID THAT HE WOULD BE SAD TO SEE HIM MOVE AWAY FROM RESPONSIBILITY FOR HONG KONG.

"DURING THE LAST YEAR, HE HAS WORKED VERY HARD INDEED FOR HONG KONG. HE HAS WORKED PARTICULARLY HARD ON THE NATIONALITY PACKAGE AND ON THE QUESTION OF VIETNAMESE BOAT PEOPLE. HE REALLY THREW HIMSELF HEART AND SOUL INTO THE PROBLEMS OF HONG KONG.

"I DO KNOW, FROM WHAT HE SAID THIS MORNING, THAT WE WILL TAKE TO THE TREASURY SOMEBODY WHO IS A REAL FRIEND OF HONG KONG," THE GOVERNOR SAID.

SIR DAVID HOPED THAT WHOEVER COMING TO TAKE UP MR MAUDE'S POST WOULD VERY QUICKLY GET TO KNOW HONG KONG AS WELL AS MR MAUDE DID.

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HIGHER LIMITS FOR ELECTION EXPENSES

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THE EXECUTIVE COUNCIL DECIDED TODAY (TUESDAY) THAT THE ELECTION EXPENSES LIMIT FOR THE 1991 DIRECT ELECTIONS TO THE LEGISLATIVE COUNCIL SHOULD BE SET AT \$200,000.

"THE LIMIT HAS BEEN DETERMINED BY REFERENCE TO THE BASIC ITEMS OF EXPENDITURE FOR AN ELECTION CAMPAIGN SUCH AS EMPLOYMENT OF ELECTION AGENTS, TRAVELLING EXPENSES, MEALS FOR HELPERS, PRINTING OF PUBLICITY MATERIAL, AND PRODUCTION OF BANNERS, PLACARDS AND POSTERS," A GOVERNMENT SPOKESMAN SAID.

"THE LIMIT FOLLOWS THE EXISTING APPROACH OF PRESCRIBING A FLAT RATE FOR EACH TYPE OF ELECTION AND HAS TAKEN ACCOUNT OF THE REQUIREMENTS OF THE LARGER CONSTITUENCIES.

"THE NEED TO MAINTAIN RELATIVITY BETWEEN EXPENDITURE LEVELS FOR ELECTIONS TO THE DIFFERENT TIERS OF REPRESENTATIVE GOVERNMENT HAS ALSO BEEN TAKEN INTO ACCOUNT."

THE EXECUTIVE COUNCIL HAS ALSO INCREASED THE LIMIT ON ELECTORAL EXPENSES FOR LEGISLATIVE COUNCIL FUNCTIONAL CONSTITUENCIES FROM \$36,000 TO \$50,000, FOR DISTRICT BOARDS FROM \$20,000 TO \$30,000 AND FOR MUNICIPAL COUNCILS FROM \$43,000 TO \$70,000. A NEW LIMIT FOR THE ELECTION OF DISTRICT BOARD REPRESENTATIVES TO MUNICIPAL COUNCILS IS SET AT \$6,000.

THE SPOKESMAN SAID THE PURPOSE OF APPLYING SUCH LIMITS WAS TO ENSURE THAT CANDIDATES WITH AMPLE FINANCIAL RESOURCES WOULD NOT HAVE AN UNFAIR ADVANTAGE OVER OTHER CANDIDATES.

"HOWEVER, IN SETTING LIMITS, IT IS ALSO IMPORTANT TO AVOID IMPOSING RESTRICTIONS ON ELECTIONEERING ACTIVITIES," HE POINTED OUT.

THE EXECUTIVE COUNCIL HAS ALSO DECIDED THAT DIRECT ELECTIONS TO THE THREE TIERS OF REPRESENTATIVE GOVERNMENT SHOULD BE HELD ON SUNDAYS.

SINCE THE INTRODUCTION OF DIRECT ELECTIONS AT THE GRASSROOT LEVEL IN 1982 THE OVERALL VOTER TURNOUT RATE FOR DISTRICT BOARD, URBAN COUNCIL AND REGIONAL COUNCIL ELECTIONS HAS NEVER EXCEEDED 40 PER CENT.

"NEXT YEAR WILL BE A MILESTONE IN HONG KONG'S POLITICAL DEVELOPMENT AS DIRECT ELECTIONS TO THE LEGISLATIVE COUNCIL WILL BE HELD FOR THE FIRST TIME.

"THE GOVERNMENT INTENDS TO MAKE A SUCCESS OF THE ELECTIONS AND BELIEVES THAT THE LEGISLATIVE COUNCIL, WHICH CONVENES IN OCTOBER 1991, WILL PROVIDE A FIRM FOUNDATION ON WHICH TO BASE FURTHER DEVELOPMENT OF OUR DEMOCRATIC SYSTEM," THE SPOKESMAN SAID.

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"EXPERIENCE HAS SHOWN THAT THE HEAVIEST TURNOUT IN ELECTIONS TAKES PLACE AFTER 7 PM, INDICATING THAT MANY ELECTORS CAN ONLY FIND TIME TO VOTE AFTER WORK," HE EXPLAINED.

"THE AIM OF HOLDING THE DIRECT ELECTIONS ON A SUNDAY IN 1991 IS TO MAKE IT MORE CONVENIENT FOR VOTERS TO GO TO THE POLLS AND TO ENCOURAGE A HIGHER TURNOUT."

FUNCTIONAL CONSTITUENCY ELECTIONS WILL CONTINUE TO BE HELD ON A WORKING DAY BEFORE THE DIRECT ELECTIONS.

"THIS WILL AVOID CONFUSION AMONG THE ELECTORATE, MANY OF WHOM MAY BE ELIGIBLE TO VOTE IN BOTH DIRECT ELECTIONS AND FUNCTIONAL CONSTITUENCIES," THE SPOKESMAN SAID.

"WITH SUCH AN ARRANGEMENT, THE PUBLICITY GENERATED BY THE PRECEDING FUNCTIONAL CONSTITUENCIES ELECTIONS IS LIKELY TO ENCOURAGE MORE ENTHUSIASTIC PARTICIPATION IN DIRECT ELECTIONS."

THE EXECUTIVE COUNCIL HAS ALSO APPROVED AMENDMENTS TO THE DELINEATION OF THE EXISTING CONSTITUENCIES OF THE DISTRICT BOARDS TO TAKE ACCOUNT OF PHYSICAL CHANGES IN CERTAIN AREAS WHERE DEVELOPMENT HAS TAKEN PLACE.

AS A RESULT, THE TOTAL NUMBER OF CONSTITUENCIES WILL BE INCREASED FROM 157 TO 210, MADE UP OF 146 SINGLE-SEAT AND 64 DOUBLE-SEAT CONSTITUENCIES.

ANOTHER CONSEQUENTIAL AMENDMENT ARISING FROM POPULATION CHANGES IN INDIVIDUAL CONSTITUENCIES IS THAT THE TOTAL NUMBER OF ELECTED SEATS WILL BE INCREASED FROM 264 TO 274 AND THE APPOINTED SEATS WILL BE REDUCED FROM 141 TO 140, MAINTAINING THE RATIO OF TWO TO ONE.

TAKING INTO ACCOUNT THE 27 EX-OFFICIO MEMBERS IN THE NEW TERRITORIES DISTRICTS, THE TOTAL NUMBER OF DISTRICT BOARD MEMBERS FOR THE NEXT TERM WILL BE INCREASED FROM 432 TO 441.

MINOR ADJUSTMENTS WILL BE MADE TO THE ELECTORAL BOUNDARIES OF THE URBAN COUNCIL AND REGIONAL COUNCIL TO BRING THEM INTO LINE WITH THE NEW DELINEATION OF DISTRICTS.

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CONSUMER PRICE INDEXES FOR JUNE 1990

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THE CENSUS AND STATISTICS DEPARTMENT TODAY (TUESDAY) PUBLISHED THE CONSUMER PRICE INDEXES FOR JUNE 1990. THE CPI(A) (OCT. 84 - SEP. 85 = 100) FOR JUNE 1990, AT 141.7, WAS 9.1 PER CENT HIGHER THAN IN JUNE 1989.

THIS WAS LOWER THAN THE CORRESPONDING RATES OF INCREASE OF 9.4 PER CENT IN APRIL AND 9.3 PER CENT IN MAY. THE CPI(B) FOR JUNE 1990, AT 141.3, WAS 9.3 PER CENT HIGHER THAN IN JUNE LAST YEAR. THE CORRESPONDING RATES OF INCREASE IN APRIL AND MAY WERE ALSO 9.3 PER CENT.

FOR THE FIRST HALF OF 1990, THE AVERAGE CPI(A) AND AVERAGE CPI(B) INCREASED BY 9.3 PER CENT AND 9.2 PER CENT RESPECTIVELY OVER THE FIRST HALF OF 1989.

ON A YEAR-ON-YEAR COMPARISON, THE FASTER RATES OF INCREASE IN THE CPI(A) IN JUNE 1990 WERE RECORDED IN THE INDEXES FOR ALCOHOLIC DRINKS AND TOBACCO (FOR HOME CONSUMPTION), TRANSPORT AND VEHICLES, SERVICES AND FOODSTUFFS AT 18.2 PER CENT, 15.3 PER CENT, 12.7 PER CENT AND 8.9 PER CENT RESPECTIVELY.

THE CORRESPONDING RATES OF INCREASE FOR THE SAME COMPONENTS IN THE CPI(B) WERE 18.0 PER CENT, 15.5 PER CENT, 12.8 PER CENT AND 9.5 PER CENT RESPECTIVELY.

THE INCREASE IN THE INDEX FOR ALCOHOLIC DRINKS AND TOBACCO (FOR HOME CONSUMPTION) WAS MAINLY DUE TO HIGHER PRICES OF CIGARETTES AND BEER.

THE INCREASE IN THE INDEX FOR TRANSPORT AND VEHICLES WAS LARGELY DUE TO HIGHER FARES OF BUS, TAXI AND PUBLIC LIGHT BUS.

AS REGARDS THE SERVICES COMPONENT, THE INCREASE WAS PARTLY DUE TO HIGHER SCHOOL FEES AND HIGHER CHARGES FOR MEDICAL TREATMENT.

THE INCREASE IN THE FOODSTUFFS COMPONENT WAS MAINLY DUE TO HIGHER CHARGES FOR MEALS IN RESTAURANTS AND OTHER EATING PLACES, WHICH MORE THAN OFFSET THE DECREASE IN THE RETAIL PRICES OF FRESH VEGETABLES.

THESE FOUR COMPONENTS TOGETHER ACCOUNTED FOR ABOUT THREE QUARTERS OF THE OVERALL INCREASE IN BOTH THE CPI(A) AND THE CPI(B).

COMPARING JUNE 1990 WITH MAY 1990, THE CPI(A) INCREASED BY 1.0 PER CENT AND THE CPI(B), BY 0.9 PER CENT.

THE AVERAGE CPI(A) AND AVERAGE CPI(B) FOR THE 12 MONTHS ENDED JUNE 1990, AT 135.3 AND 134.8 RESPECTIVELY, WERE 9.7 PER CENT AND 9.5 PER CENT RESPECTIVELY HIGHER THAN THE AVERAGE FOR THE 12 MONTHS ENDED JUNE 1989.

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DURING THE THREE-MONTH PERIOD ENDED JUNE 1990, THE SEASONALLY ADJUSTED CPI(A) INCREASED AT AN AVERAGE RATE OF 0.7 PER CENT PER MONTH AND THE SEASONALLY ADJUSTED CPI(B), AT 0.8 PER CENT PER MONTH.

THE CPI(A) AND THE CPI(B) ARE BASED ON THE EXPENDITURE PATTERNS OF 50 PER CENT AND 30 PER CENT, RESPECTIVELY, OF URBAN HOUSEHOLDS IN HONG KONG, WHICH WERE DERIVED FROM THE 1984/85 HOUSEHOLD EXPENDITURE SURVEY.

THE CPI(A) REFERS TO HOUSEHOLDS SPENDING BETWEEN \$2,000 AND \$6,499 A MONTH AT THAT TIME AND THE CPI(B) BETWEEN \$6,500 AND \$9,999 A MONTH.

CHANGES IN THE INDEXES FOR JUNE 1990 IN RESPECT OF THE NINE COMMODITY/SERVICE SECTIONS IN THE TWO CONSUMER PRICE INDEXES, AS COMPARED WITH MAY 1990 AND JUNE 1989, ARE GIVEN BELOW.

(OCTOBER 1984 TO SEPTEMBER 1985 AVERAGE = 100)

SECTION	CPI(A)			CPI(B)		
	INDEX FOR JUN. 90	% CHANGE OVER MAY 90	% CHANGE OVER JUN. 89	INDEX FOR JUN. 90	% CHANGE OVER MAY 90	% CHANGE OVER JUN. 89
FOODSTUFFS	143.9	+1.6	+8.9	145.6	+1.4	+9.5
HOUSING	131.1	+0.7	+7.9	126.0	+0.9	+7.8
FUEL AND LIGHT	103.9	-0.1	+8.2	104.0	-0.1	+7.9
ALCOHOLIC DRINKS AND TOBACCO (FOR HOME CONSUMPTION)	157.7	+0.2	+18.2	158.7	+0.3	+18.0
CLOTHING AND FOOTWEAR	147.3	+0.1	+7.3	150.6	+0.1	+7.3
DURABLE GOODS	125.8	+0.5	+2.8	124.9	+0.5	+2.7
MISCELLANEOUS GOODS	137.3	+0.1	+4.4	137.8	+0.2	+4.9
TRANSPORT AND VEHICLES	155.0	+0.9	+15.3	154.5	+1.1	+15.5
SERVICES	157.1	+0.4	+12.7	157.4	+0.5	+12.8
ALL ITEMS	141.7	+1.0	+9.1	141.3	+0.9	+9.3

/COMPARING JUNE

COMPARING JUNE 1990 WITH MAY 1990, THE INDEX FOR FOODSTUFFS INCREASED BY 1.6 PER CENT IN CPI(A) AND BY 1.4 PER CENT IN CPI(B). THIS WAS MAINLY DUE TO INCREASES IN THE RETAIL PRICES OF FRESH VEGETABLES, SALT-WATER FISH AND FRESH FRUIT, AND CHARGES FOR MEALS IN RESTAURANTS AND OTHER EATING PLACES.

THE INDEX FOR HOUSING INCREASED BY 0.7 PER CENT IN CPI(A) AND BY 0.9 PER CENT IN CPI(B) AS A RESULT OF HIGHER RENTS FOR SOME PRIVATE HOUSING UNITS.

THE INDEX FOR DURABLE GOODS INCREASED BY 0.5 PER CENT IN BOTH CPI(A) AND CPI(B), REFLECTING INCREASES IN THE PRICES OF ELECTRICAL APPLIANCES, VIDEO AND SOUND EQUIPMENT.

THE INDEX FOR TRANSPORT AND VEHICLES INCREASED BY 0.9 PER CENT IN CPI(A) AND BY 1.1 PER CENT IN CPI(B) DUE TO HIGHER NEW TERRITORIES TAXI FARES AS WELL AS THE EFFECT OF THE RECENT INCREASE IN URBAN TAXI FARES.

THE INDEX FOR SERVICES INCREASED BY 0.4 PER CENT IN CPI(A) AND BY 0.5 PER CENT IN CPI(B) BECAUSE OF HIGHER CHARGES FOR PACKAGE TOURS AND REPAIRS TO HOUSEHOLD GOODS.

FIGURES HEREIN REFER TO CPI SERIES NOT SEASONALLY ADJUSTED UNLESS OTHERWISE SPECIFIED. ALL PERCENTAGE CHANGES ARE DERIVED FROM CPI FIGURES TAKEN TO MORE THAN ONE DECIMAL PLACE.

MORE DETAILS ARE GIVEN IN THE "CONSUMER PRICE INDEX REPORT" FOR JUNE 1990, WHICH IS AVAILABLE AT \$5 PER COPY FROM THE GOVERNMENT PUBLICATIONS CENTRE, GPO BUILDING, GROUND FLOOR, CONNAUGHT PLACE, CENTRAL; OR FROM THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER 1, 12 HARBOUR ROAD, WAN CHAI; OR FROM THE INFORMATION SERVICES DEPARTMENT, FRENCH MISSION BUILDING, 1 BATTERY PATH, CENTRAL FOR LOCAL AND OVERSEAS MAILINGS.

FOR ENQUIRIES ABOUT THE INDEXES, PLEASE TELEPHONE THE CONSUMER PRICE INDEX SECTION OF THE CENSUS AND STATISTICS DEPARTMENT AT 805 6403.

THE HANG SENG CPI WAS 151.0 IN JUNE 1990, UP BY 0.9 PER CENT OVER MAY 1990 AND BY 11.3 PER CENT OVER JUNE 1989. THE HANG SENG CPI IS BASED ON THE EXPENDITURE PATTERN OF THE 10 PER CENT OF URBAN HOUSEHOLDS IN HONG KONG THAT SPENT \$10,000-24,999 A MONTH DURING THE 1984/85 HOUSEHOLD EXPENDITURE SURVEY.

FURTHER DETAILS REGARDING THIS INDEX ARE INCLUDED IN THE HANG SENG CPI REPORT ISSUED BY THE ECONOMIC RESEARCH DEPARTMENT OF HANG SENG BANK LTD.

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FURTHER DIVERSIFICATION AND GROWING
TECHNOLOGICAL CONTENT IN MANUFACTURING

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THERE WILL BE FURTHER MARKET AND PRODUCT DIVERSIFICATION AS WELL AS A GROWING TECHNOLOGICAL CONTENT OF PRODUCTION PROCESSES AND PRODUCTS IN MANUFACTURING, THE SECRETARY FOR TRADE AND INDUSTRY, MR JOHN CHAN, SAID TODAY (TUESDAY).

"AND HONG KONG IS LIKELY TO FUNCTION INCREASINGLY AS THE MANAGEMENT BASE OF AN EXTENDED MANUFACTURING NETWORK, WITH THE SERVICES COMPONENT OF MANUFACTURING TAKING ON GREATER IMPORTANCE," MR CHAN SAID AT A LUNCH MEETING TO MARK THE 30TH ANNUAL GENERAL MEETING OF THE FEDERATION OF HONG KONG INDUSTRIES.

MR CHAN SAID THE FEDERATION WOULD HAVE AN IMPORTANT PART TO PLAY IN THIS CONTINUED STRUCTURAL CHANGE.

"FIRST, IT WILL CONTINUE TO BE A SOURCE OF VALUABLE ADVICE TO THE GOVERNMENT. THE ADMINISTRATION NEEDS TO UNDERSTAND FULLY THE IMPACT OF OUR POLICIES ON INDUSTRY AND TO UNDERSTAND THE VIEWS AND CONCERNS OF MANUFACTURERS.

"THE FEDERATION HAS CONSISTENTLY FULFILLED ITS STATUTORY DUTY TO PROVIDE ADVICE TO THE GOVERNMENT ON MATTERS AFFECTING HONG KONG INDUSTRIES WITH VIGOUR; AND I EXPECT IT TO BE A FULL PARTICIPANT IN THE DEBATES WHICH LIE AHEAD.

"SECOND, I EXPECT THAT THE FEDERATION WILL CONTINUE TO DEVELOP A RANGE OF SERVICES TO HELP ITS MEMBERS TO UPGRADE THEIR CAPABILITIES AND EXTEND THEIR MARKET REACH," HE SAID.

MR CHAN SAID THE SUCCESS OF THE LOCAL INDUSTRIES OVER THE LAST 30 YEARS HAD BEEN ACHIEVED IN THE FACE OF INCREASINGLY FIERCE COMPETITION ABROAD AND CONSTRAINTS AT HOME IN TERMS OF A TIGHT LABOUR MARKET, RISING COSTS AND SHORTAGE OF INDUSTRIAL LAND.

"THIS SUCCESS REFLECTS THE ENTREPRENEURIAL SPIRIT OF HONG KONG AND THE VIGOUR WITH WHICH BUSINESSMEN SEEK OUT AND EXPLOIT NEW OPPORTUNITIES.

"THE MANUFACTURING SECTOR HAS PROVED WILLING AND ABLE TO RESPOND FLEXIBLY TO SHIFTING CONDITIONS," HE SAID.

MR CHAN SAID A STRONG TREND HAD BEEN TOWARDS DIVERSIFICATION.

HE SAID NEW MARKETS HAD BEEN TAPPED IN ADDITION TO HONG KONG'S TRADITIONAL MARKETS IN THE U.S. AND EUROPE AND NEW INDUSTRIES HAD EMERGED.

"WITHIN INDUSTRIES, THERE HAS BEEN SUBSTANTIAL PRODUCT DIVERSIFICATION, WITH INCREASINGLY SOPHISTICATED GOODS BEING PRODUCED.

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"AND THE MANUFACTURING BASE HAS WIDENED TO INCLUDE NOT ONLY PRODUCTION BUT ALSO A WHOLE RANGE OF ASSOCIATED ACTIVITIES FROM DESIGN THROUGH TO DELIVERY," HE SAID.

ON PRODUCT UPGRADING, MR CHAN SAID THAT WITH THE OPENING UP OF CHINA OVER THE LAST DECADE, AND THE SHIFT OF LABOUR-INTENSIVE PRODUCTION OVER THE BORDER TO GUANGDONG, OPERATIONS IN HONG KONG HAD BECOME MORE TECHNOLOGY AND SKILL INTENSIVE.

"AS A RESULT OF THIS INVESTMENT IN PLANT, EQUIPMENT AND PEOPLE, PRODUCTIVITY HAS SHOWN A MARKED IMPROVEMENT OVER THE LAST DECADE.

"AT THE SAME TIME, THERE HAVE BEEN STRONG ADVANCES IN TERMS OF THE QUALITY AND DESIGN OF MANY OF THE GOODS PRODUCED IN HONG KONG," HE SAID.

LOOKING BACK OVER THE LAST 30 YEARS, MR CHAN SAID THERE HAD BEEN DRAMATIC INDUSTRIAL GROWTH SINCE 1960.

HE SAID THE VALUE OF MANUFACTURED EXPORTS IN 1960 WAS LESS THAN \$3 BILLION. IN 1989 IT WAS \$224 BILLION, ABOUT 80 TIMES HIGHER.

IN 1960, THERE WERE ABOUT 5,000 FACTORIES. NOW THERE WERE NEARLY 10 TIMES AS MANY, HE SAID.

IN 1960, THE MANUFACTURING SECTOR EMPLOYED ABOUT 400,000 WORKERS. TODAY, IT EMPLOYED 800,000 - AND THAT DID NOT INCLUDE THE MANY WORKERS IN SOUTH CHINA AND ELSEWHERE WHO WERE EMPLOYED BY HONG KONG-FUNDED AND MANAGED ENTERPRISES, MR CHAN ADDED.

"CLEARLY," HE SAID, "AS HONG KONG HAS DEVELOPED STRONGLY AS AN INTERNATIONAL FINANCIAL AND TRADING CENTRE, THE ROLE OF MANUFACTURING IN THE ECONOMY AS A WHOLE HAS BECOME LESS DOMINANT.

"BUT MANUFACTURING REMAINS THE SINGLE LARGEST EMPLOYER, THE MAIN SOURCE OF EXPORTS AND A MAJOR CLIENT FOR THE BURGEONING SERVICES SECTOR.

"AND REGARDLESS OF THE SHIFT IN ITS RELATIVE POSITION WITHIN HONG KONG'S ECONOMY, MANUFACTURING HAS ACHIEVED REMARKABLE GROWTH OVER THE PAST 30 YEARS AND REMAINS A CENTRAL PILLAR OF THE ECONOMY," HE SAID.

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NATURALISATION AND NATIONALITY SECTION EXTENDS WORKING HOURS
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THE IMMIGRATION DEPARTMENT ANNOUNCED TODAY (TUESDAY) THAT IN VIEW OF THE DRASTIC INCREASE IN APPLICATIONS FOR NATURALISATION AS BRITISH DEPENDENT TERRITORIES CITIZEN IN CONNECTION WITH THE UK NATIONALITY PACKAGE, THE DEPARTMENT'S NATURALISATION AND NATIONALITY SECTION WILL EXTEND ITS WORKING HOURS FOR TODAY AND TOMORROW.

THE EXTENDED WORKING HOURS OF THE SECTION AT 7 GLOUCESTER ROAD, SECOND FLOOR, WAN CHAI ARE FROM 8.45 AM UNTIL 11.59 PM ON THESE TWO DAYS.

MEMBERS OF THE PUBLIC MAY TELEPHONE 829 3013 DURING OFFICE HOURS FOR ENQUIRIES.

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TAC DISCUSSES FERRY, BUS AND TAXI ISSUES
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THE TRANSPORT ADVISORY COMMITTEE (TAC) TODAY (TUESDAY) DISCUSSED A FARE INCREASE APPLICATION FROM THE STAR FERRY COMPANY LIMITED TO MEET RISING OPERATING COSTS.

THE COMMITTEE NOTED THAT FERRY FARES WERE LAST REVISED ON JULY 2, 1989. THE REVISION DID NOT AFFECT LOWER DECK PASSENGERS ON THE EDINBURGH PLACE TO KOWLOON POINT SERVICE. FARES FOR THE WAN CHAI TO KOWLOON POINT SERVICE HAD ALSO REMAINED UNCHANGED SINCE 1988 WHEN THE SERVICE WAS FIRST INTRODUCED.

IN ASSESSING THE APPLICATION, THE TAC CONSIDERED THAT A GENERAL FARE INCREASE WAS NECESSARY IF THE STAR FERRY WAS TO REMAIN IN A REASONABLY HEALTHY FINANCIAL POSITION. THE COMPANY NEEDED THE PROPOSED FARE RISE TO MAINTAIN THE CURRENT LEVEL OF SERVICE AND CARRY OUT IMPROVEMENTS SET OUT IN THE FORWARD PLANNING PROGRAMME. ONE OF THE REASONS OF THE INCREASE WAS TO REDUCE STAR FERRY'S LOSSES IN ITS FERRY OPERATION.

THE TAC'S RECOMMENDATION WILL BE FORWARDED TO THE EXECUTIVE COUNCIL FOR CONSIDERATION.

IN DISCUSSING THE COMPANY'S FORWARD PLANNING PROGRAMME FOR 1989/90 TO 1993/94, THE TAC WAS SATISFIED THAT THE STAR FERRY WOULD HAVE SUFFICIENT FERRY CAPACITY TO MEET PROJECTED DEMAND AND THAT ADEQUATE RESOURCES WERE BEING APPLIED TO UPGRADE FACILITIES.

THE TAC NOTED THAT EXTRA EXPENSES WERE INCURRED FOR THE PURCHASE OF TWO NEW VESSELS AND IMPROVEMENTS TO FERRY PIERS AND THE OLD VESSELS.

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WITH THE LAUNCHING OF TWO NEW VESSELS IN 1989, STAR FERRY NOW OWNED A FLEET OF 13 VESSELS.

BY THE END OF THE 1990/91 FINANCIAL YEAR, THE FERRY COMPANY WOULD HAVE RE-ENGINEDED ITS TEN 20-YEAR-OLD VESSELS. IN ADDITION, STAR FERRY HAD BUDGETTED FOR BRIDGE CONTROL AUTOMATION TO SAVE ON STAFF COSTS; AND AIR-CONDITIONING ON ITS VESSELS AND THE PASSENGER WAITING AREA AT ITS PIERS.

THE TAC ALSO EXAMINED PROPOSALS TO RATIONALISE KMB'S LOSS-MAKING ROUTES TO STABILISE THE COMPANY'S ASSET BASE.

OF THE NETWORK OF 269 ROUTES KMB OPERATED AS AT MARCH THIS YEAR, MEMBERS NOTED THAT MORE THAN HALF WERE SUSTAINING LOSSES.

THE LARGE NUMBER OF LOSS-MAKING SERVICES STEMMED FROM HISTORICAL, SOCIAL AND OTHER REASONS. THE SUSTAINED RE-DISTRIBUTION OF POPULATION FROM THE URBAN AREAS TO THE NEW TOWNS OVER THE PAST DECADE HAD CREATED NEW DISPERSED TRAVELLING PATTERNS WHICH KMB FOUND DIFFICULT TO SERVE EFFICIENTLY.

TO AVOID EXCESSIVE CROSS-SUBSIDISATION, TAC HAD SUGGESTED TO THE TRANSPORT DEPARTMENT TO MAKE CONSCIOUS EFFORTS TO RATIONALISE BUS ROUTES.

MEMBERS WERE INFORMED THAT A COST ECONOMY PROGRAMME FOR 24 ROUTES WHICH INCURRED HEAVY LOSSES HAD BEEN DEVELOPED BASED ON A COMPREHENSIVE STUDY CONDUCTED EARLIER THIS YEAR.

ROUTES WHOSE PERFORMANCE WERE EXPECTED TO IMPROVE SOON, OR WHERE SERIOUS DIFFICULTIES MIGHT BE CAUSED TO THE PASSENGERS AFFECTED, HAD NOT BEEN INCLUDED.

UNDER THE COST ECONOMY PROPOSALS, 13 ROUTES HAD BEEN IDENTIFIED FOR CANCELLATION AND WOULD EITHER BE REPLACED BY NEW GREEN MINIBUS ROUTES OR SUBSTITUTED BY IMPROVEMENT TO EXISTING PARALLEL GMB OR KMB SERVICES. PEAK FREQUENCY REDUCTIONS WERE RECOMMENDED FOR SIX ROUTES OPERATING IN AREAS WELL SERVED BY OTHER MODES.

OTHER SERVICE RATIONALISATION MEASURES DISCUSSED INCLUDED CONVERTING WHOLE-DAY SERVICE TO PEAK ONLY OPERATION AND MIXED OPERATION OF AIR-CONDITIONED SMALL COACHES AND CONVENTIONAL DOUBLE DECK BUSES ON SELECTED ROUTES.

HOWEVER, NO ROUTE SO FAR ASSESSED WAS CONSIDERED SUITABLE FOR CONVERSION TO PEAK-ONLY SERVICE.

KMB CONSIDERED THAT THE INTRODUCTION OF MIXED OPERATION WOULD HELP ENSURE ADEQUATE CAPACITY TO SATISFY PEAK DEMAND AS WELL AS ATTRACTIVE FREQUENCIES DURING OFF-PEAK PERIODS. IT WOULD ALSO GIVE AN OPPORTUNITY TO EVALUATE PASSENGERS' REACTION TO MORE COMFORTABLE COACH SERVICES AT HIGHER FARES.

ON THE INTRODUCTION OF MORE RESIDENTIAL SERVICES, THE TRANSPORT DEPARTMENT WAS NOW ADOPTING A MORE FLEXIBLE AND LIBERAL APPROACH TO THE LICENSING OF RESIDENTS' SERVICES WHERE THEY HELPED RELIEVE PRESSURE ON KMB'S (OR FOR THAT MATTER CMB'S) RESOURCES DURING THE PEAK HOURS, THEREBY REDUCING THE NUMBER OF FRANCHISED BUSES THAT WOULD OTHERWISE BE REQUIRED.

MEMBERS WERE ALSO BRIEFED ON THE PROPOSED USE OF ROUTE 5 (SHING MUN TUNNELS) BY NEW TERRITORIES TAXIS.

IN RESPONSE TO THE NT TAXI TRADE, THE TRANSPORT DEPARTMENT CONDUCTED A REVIEW AFTER THE OPENING OF ROUTE 5 TO TRAFFIC IN APRIL.

THE REVIEW TOOK INTO ACCOUNT THE TRAFFIC CONDITIONS IN SHING MUN TUNNELS AND THE ADJACENT ROAD NETWORKS IN SHA TIN AND TSUEN WAN, THE DEMAND FOR NT TAXIS TO USE SUCH A LINK, LEVEL OF SERVICES PROVIDED BY OTHER PUBLIC TRANSPORT MODES ON THIS ROUTE, LOCAL VIEWS ON THE ISSUE, AND GENERAL POLICY CONSIDERATIONS ON THE ROLE OF NT TAXIS.

FOLLOWING A MEETING WITH THE URBAN TAXI TRADE, THE TRANSPORT DEPARTMENT UNDERTOOK TO CONDUCT A SURVEY ON THE LEVEL OF URBAN TAXI SERVICE IN THE NEW TERRITORIES SO AS TO ASSESS THE NEED FOR NEW TERRITORIES TAXIS TO USE ROUTE 5 OR TO EXPAND ITS OPERATING AREAS.

THE TAC NOTED THAT THE DEPARTMENT WOULD CONSULT THE RELEVANT NT DISTRICT BOARDS IN DUE COURSE AFTER WHICH A RECOMMENDATION WOULD BE PRESENTED TO THE TAC FOR FURTHER DISCUSSION.

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POLICE COMMISSIONER MEETS WITH STAFF ASSOCIATIONS

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THE COMMISSIONER OF POLICE, MR LI KWAN-HA, TODAY (TUESDAY) PERSONALLY CONVENED A MEETING WITH THE CHAIRMEN OF THE FOUR STAFF ASSOCIATIONS IN REGARD TO THEIR PROPOSALS THAT AMENDMENTS BE MADE TO THE POLICE FORCE COUNCIL (PFC) CONSTITUTION.

THE COMMISSIONER TOLD THE REPRESENTATIVES THAT NEITHER HE NOR THE SECRETARY FOR THE CIVIL SERVICE FAVOURED A CHANGE OF CHAIRMANSHIP IN THE POLICE FORCE COUNCIL AS AT PRESENT CONSTITUTED.

HOWEVER, MR LI SAID HE DID AGREE THAT THERE WERE AREAS FOR IMPROVEMENT IN THE OPERATION AND EFFICIENCY OF THE PFC AND THAT A THOROUGH EXAMINATION WOULD BE MADE INTO WAYS IN WHICH ACTION ON SUBJECTS DISCUSSED COULD BE SPEEDED UP.

MR LI ALSO FULLY SUPPORTED THE STAFF ASSOCIATIONS' PROPOSAL THAT A COMMITTEE OF ENQUIRY BE SET UP SHOULD STAFF AND ADMINISTRATION COME TO AN IMPASSE IN DELIBERATIONS, AND HE HAD ALREADY TAKEN UP THIS ISSUE WITH GOVERNMENT.

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FINALLY, THE COMMISSIONER SAID BOTH HE AND THE SECRETARY FOR THE CIVIL SERVICE WERE OF THE OPINION THAT THERE WAS A NEED TO HAVE A FORUM FOR DISCUSSION ON IMPORTANT MATTERS, SUCH AS PAY AND CONDITIONS OF SERVICE, AND THAT WHEN IT WAS CONSIDERED NECESSARY MEETINGS COULD BE CONVENED BY EITHER SCS OR HIMSELF PERSONALLY.

THE COMMISSIONER NOW AWAITS THE STAFF ASSOCIATIONS' DECISION ON HIS PROPOSALS.

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UK YOUNGSTERS VISIT SOCIAL WELFARE DEPARTMENT
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A SIX-MEMBER DELEGATION FROM BRITAIN TODAY (TUESDAY) VISITED A NUMBER OF SERVICE UNITS OF THE SOCIAL WELFARE DEPARTMENT TO GET ACQUAINTANCE WITH THE LOCAL SOCIAL WELFARE POLICIES AND SERVICES.

THE MEMBERS, INCLUDING TWO UNIVERSITY STUDENTS, A BANK EMPLOYEE AND A MOTOR VEHICLE ENGINEER, FIRST CALLED AT THE DEPARTMENT'S LADY TRENCH TRAINING CENTRE, WHERE THEY WERE LED TO VISIT A DAY NURSERY AT THE CENTRE AFTER BEING BRIEFED ON THE LATEST DEVELOPMENT OF SOCIAL WELFARE SERVICES.

THEY THEN VISITED THE SOUTHOEN CENTRE IN WAN CHAI, AND TOURED A FAMILY SERVICES CENTRE AND A SOCIAL SECURITY FIELD UNIT.

BEFORE CONCLUDING THEIR DAY-LONG VISIT, THE GROUP ALSO SAW THE OPERATIONS OF A BOYS' HOME, A HOME FOR THE AGED AND THE ABERDEEN REHABILITATION CENTRE.

THE VISIT BY THE DELEGATION IS PART OF THE ACTIVITIES OF A COMMONWEALTH YOUTH EXCHANGE PROGRAMME.

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RESIDENTS URGED TO REGISTER AS VOTERS
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RESIDENTS IN CENTRAL AND WESTERN DISTRICT SHOULD REGISTER AS VOTERS FOR NEXT YEAR'S LEGISLATIVE COUNCIL, URBAN AND REGIONAL COUNCILS AS WELL AS DISTRICT BOARD ELECTIONS.

THE APPEAL WAS MADE BY THE ASSISTANT DISTRICT OFFICER, MISS MONICA CHEN, TO REPRESENTATIVES OF WINNING FIRMS IN THIS YEAR'S DISTRICT INTER-HONG SPORTS PROGRAMME DURING THE PRIZE PRESENTATION CEREMONY TODAY (TUESDAY).

"I HOPE YOU WOULD ENCOURAGE NON-VOTERS TO FULFIL THEIR CIVIC RESPONSIBILITY," MISS CHEN SAID.

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ON THE SPORTS PROGRAMME - NOW IN ITS EIGHTH YEAR, MISS CHEN SAID IT HAD PROVED TO BE POPULAR WITH OFFICE WORKERS IN THE DISTRICT. THIS YEAR'S PROGRAMME ATTRACTED MORE THAN 600 PARTICIPANTS FROM 12 FIRMS.

FOLLOWING KEEN COMPETITION, THE CHINESE GOLD AND SILVER EXCHANGE SOCIETY EMERGED AS THE OVERALL CHAMPION, WHILE THE HONG KONG AND SHANGHAI BANKING CORPORATION AND KAM TAI HONG RANKED FIRST AND SECOND RUNNERS-UP RESPECTIVELY.

ORGANISED BY THE CENTRAL AND WESTERN DISTRICT OFFICE, THE URBAN COUNCIL AND THE DISTRICT RECREATION AND SPORTS ASSOCIATION WITH SPONSORSHIP FROM THE DISTRICT BOARD, THE PROGRAMME FEATURED BASKETBALL, BADMINTON, TABLE TENNIS, SQUASH AND MINI SOCCER.

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DB COMMITTEE TO DISCUSS TRAFFIC MANAGEMENT SCHEME
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THE CENTRAL AND WESTERN DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE WILL DISCUSS THE TRAFFIC MANAGEMENT SCHEME IN CENTRAL AT ITS MEETING ON THURSDAY (JULY 26).

THE SCHEME, PROPOSED BY A CONSULTANT FOR THE TRANSPORT DEPARTMENT, AIMS AT IMPROVING TRAFFIC FLOW IN THE VICINITY OF CENTRAL MARKET. PART OF THE SCHEME HAS ALREADY BEEN IMPLEMENTED.

MEMBERS WILL ALSO DISCUSS A PROPOSAL TO PROVIDE PEDESTRIAN CROSSING FACILITIES AT THE SECTION OF DES VOEUX ROAD CENTRAL BETWEEN PEDDER STREET AND POTTINGER STREET.

THEY WILL BE INFORMED OF THE PROPOSED EASTERN EXTENSION OF THE CONNAUGHT ROAD ELEVATED WALKWAY AND THE DISTRICT'S SETTLED BUS AND FERRY ROUTE DEVELOPMENT PROGRAMMES FOR 1990-91.

A PROGRESS REPORT ON THE UPGRADING AND DUALLING OF CONNAUGHT ROAD PROJECT WILL BE TABLED.

NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE CENTRAL AND WESTERN DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE MEETING WHICH WILL BEGIN AT 2.30 PM ON THURSDAY (JULY 26) IN ROOM 1416, HARBOUR BUILDING, 38 PIER ROAD, CENTRAL.

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