



## DAILY INFORMATION BULLETIN

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BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

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JLG expert group meets on preparation of transitional Budget

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The Sino-British Joint Liaison Group will hold their sixth round of expert talks on January 30 to February 1 in Hong Kong to discuss the preparation of Hong Kong's transitional Budget and related matters.

The British team will be led by Mr K C Kwong, Secretary for the Treasury of the Hong Kong Government. The Chinese team will be led by Mr Chen Zuo'er, Chinese Representative on the Sino-British Joint Liaison Group. They will be assisted by experts.

End

JLG expert talks on international agreements

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Experts from the Sino-British Joint Liaison Group will meet in Hong Kong on January 30, 1996 to discuss the mechanism for application of international agreements to Hong Kong. The British team leader will be Mr James Hanratty, Acting Law Officer (International Law). The Chinese team leader will be Chinese Representative Mr Wang Weiyang.

End

Disclosure of balance sheet inner reserves

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The Hong Kong Monetary Authority (HKMA) announced today (Monday) that the forthcoming disclosure of balance sheet inner reserves should be viewed in the context of the overall capital strength of banks in Hong Kong.

Pursuant to the HKMA's recommendation, banks in Hong Kong which have not already done so will disclose their balance sheet inner reserves in their 1995 accounts which will be published over the next few months. The purpose of this statement is to assist in the interpretation of the forthcoming disclosures.

"The publication of balance sheet inner reserves is a further step in improving the transparency of the Hong Kong banking system," said the Deputy Chief Executive of the HKMA, Mr David Carse.

"However, the size and significance of inner reserves should be put in perspective. Transfers to inner reserves in the profit and loss account have already been disclosed in the 1994 accounts. The accumulated total of inner reserves on the balance sheet is a historical legacy which does not relate to the current earning power of the banks and which forms only part of their capital base.

"In considering the capital strength of a bank, it is more important to look at the total size of its capital base (including published shareholders' funds) and its relationship to the amount of risk on the balance sheet. This is summed up in the Capital Adequacy Ratio, as recommended by the Basle Committee on Banking Supervision, which has been adopted in Hong Kong since the end of 1989. Inner reserves are already included in the calculation of the Capital Adequacy Ratio."

The policy on inner reserves and the size of these reserves varies widely among banks in Hong Kong. Based on the 1994 accounts, the majority of the 31 local banks (including listed and non-listed) either do not maintain inner reserves at all or have inner reserves which amount to less than 10 per cent of published shareholders' funds (excluding inner reserves).

Some banks do have inner reserves which are significantly higher than 10 per cent of shareholders' funds. But in general, inner reserves are not a major element in the capital base of most banks in Hong Kong.

The Capital Adequacy Ratios of banks in Hong Kong also vary depending on such factors as past dividend policy and the commercial choice of individual banks. However, the Capital Adequacy Ratios of all the banks fully comply with the HKMA's supervisory requirements and are well above the 8% minimum ratio recommended by the Basle Committee. Banks will disclose their Capital Adequacy Ratios in their 1995 accounts.

It should be noted that prior to 1994 some banks also maintained inner reserves which arose from property revaluations. Property revaluation reserves were separately disclosed in the 1994 accounts. The inner reserves to be disclosed in the 1995 accounts thus reflect past transfers from the profit and loss account and not property revaluations.

End

Shipping statistics for third quarter of 1995

\* \* \* \* \*

In the third quarter of 1995, 10,665 ocean vessels with a total capacity of 44.2 million net registered tons arrived at Hong Kong.

Net registered ton (NRT) is a unit of measure in volume terms of the space of a vessel available for carrying passengers or goods. One NRT is equivalent to 100 cubic feet.

This information is contained in the report entitled "Hong Kong Shipping Statistics, July - September 1995" published today (Monday) by the Census and Statistics Department.

The figures reflected an increase of 11% in number of vessels and 5% in capacity over the third quarter of 1994.

During the same period, there were 10 753 outgoing ocean vessels with a total capacity of 44.3 million net registered tons, representing an increase of 11% in number and 4% in capacity over the third quarter of 1994.

In the third quarter of 1995, the total tonnage of seaborne inward cargo comprising seaborne imports and seaborne inward transshipment, was estimated to be 21.6 million tonnes, representing an increase of 8% over the same quarter in 1994.

During the same period, the total tonnage of seaborne outward cargo comprising seaborne exports (domestic exports plus re-exports) and seaborne outward transshipment, was estimated to be 10.7 million tonnes, representing an increase of 15%.

Of the seaborne inward cargo, 82% in terms of tonnage were seaborne imports and 18% were seaborne inward transshipment. Of these cargoes, 54% were containerised.

Of the seaborne outward cargo, 59% in terms of tonnage were seaborne exports (domestic exports plus re-exports) and 41% were seaborne outward transshipment. And 87% of them were containerised cargo.

The above statistics are summarised in Table 1.

In the third quarter of 1995, the top five countries of loading for seaborne inward cargo (comprising seaborne imports and seaborne inward transshipment) were Singapore (which accounted for 18% in tonnage terms), China (13%), Japan (12%), Taiwan (10%) and the USA (9%). The top five countries of discharge for seaborne outward cargo (comprising seaborne exports and seaborne outward transshipment) were China (22%), the USA (20%), Taiwan (6%), Japan (5%) and Singapore (4%).

The top five principal commodities of seaborne inward cargo in tonnage terms include petroleum, petroleum products and related materials (19%); coal, coke and briquettes (13%); artificial resins and plastic materials (8%); iron and steel (6%); and other manufactured goods classified chiefly by material (5%).

The top five principal commodities of seaborne outward cargo in tonnage terms include other manufactured goods classified chiefly by material (11%); machinery (10%); other manufactured articles (8%); toys (7%); and petroleum, petroleum products and related materials (7%).

The distribution of the top 10 countries of loading and discharge and their changes in the tonnage of seaborne inward and outward cargo between the third quarter of 1995 and the third quarter of 1994 are shown in Table 2 and Table 3.

Similar statistics for seaborne inward and outward cargo analysed by the top 10 principal commodities are shown in Table 4 and Table 5.

Ocean vessel statistics are compiled primarily from general declarations submitted to the Marine Department by ship masters or authorised shipping agents and cover all ocean vessels entering and leaving Hong Kong, excluding yachts and pleasure craft.

Seaborne cargo statistics are compiled from a sample of consignments listed in the ocean cargo manifests supplied by shipping companies or agents to the Census and Statistics Department. The sampling method is described in the Explanatory Notes of the report.

More details of ocean vessel and seaborne cargo statistics for the third quarter of 1995 are contained in the report entitled "Hong Kong Shipping Statistics, July - September 1995". This report is now published in bilingual form.

The report is now on sale at the Government Publications Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway, Hong Kong and the Publications Unit of the Census and Statistics Department on 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai at \$65 a copy.

Enquiries on statistics contained in the report may be directed to the Shipping and Cargo Statistics Section of the Census and Statistics Department on 2582 4887.

**Table 1: Summary of ocean vessel and seaborne cargo statistics**

	3rd quarter 1995	% change over 3rd quarter 1994
<b>Incoming ocean vessel</b>		
Number	10 665	+11
Capacity (Mn. net registered tons)	44.2	+5
Seaborne inward cargo (Mn. tonnes)	21.6 (54)	+8
Seaborne imports (Mn. tonnes)	17.7 (45)	+7
Seaborne inward transshipment (Mn. tonnes)	3.9 (96)	+10
<b>Outgoing ocean vessel</b>		
Number	10 753	+11
Capacity (Mn. net registered tons)	44.3	+4
Seaborne outward cargo (Mn. tonnes)	10.7 (87)	+15
Seaborne exports (Mn. tonnes)	6.3 (78)	+6
(domestic exports plus re-exports)		
Seaborne outward transshipment (Mn. tonnes)	4.4 (99)	+29

Note: Figures in brackets denote the extent of containerization in percentage.

**Table 2: Seaborne inward cargo <sup>(1)</sup> by top ten countries of loading**

<u>Country of loading</u>	3rd quarter	<u>% share<sup>(2)</sup></u>	% change over
	<u>1995</u>		<u>3rd quarter 1994</u>
	( '000 tonnes)		
Singapore	3 782	18	+3
China	2 848	13	+12
Japan	2 556	12	+9
Taiwan	2 141	10	+8
U.S.A.	1 971	9	+25
Republic of Korea	1 413	7	+14
Australia	1 106	5	-5
Republic of South Africa	1 007	5	+40
Indonesia	859	4	+25
Thailand	516	2	+7

Notes: (1) Seaborne inward cargo comprises seaborne imports and seaborne inward transshipment.

(2) % share is the share in tonnage terms with respect to the total tonnage of seaborne inward cargo.

**Table 3: Seaborne outward cargo <sup>(1)</sup> by top ten countries of discharge**

<u>Country of discharge</u>	3rd quarter	<u>% share<sup>(2)</sup></u>	% change over
	<u>1995</u> ( ' 000 tonnes)		<u>3rd quarter 1994</u>
China	2 348	22	+21
U.S.A.	2 150	20	+3
Taiwan	672	6	-1
Japan	510	5	+21
Singapore	465	4	+34
Federal Republic of Germany	464	4	+14
Netherlands	402	4	+3
United Kingdom	317	3	+21
Philippines	290	3	+3
Thailand	262	2	+3

Notes: (1) Seaborne outward cargo comprises seaborne exports (domestic exports plus re-exports) and seaborne outward transshipment.

(2) % share is the share in tonnage terms with respect to the total tonnage of seaborne outward cargo.

**Table 4: Seaborne inward cargo<sup>(1)</sup> by top ten principal commodities**

<u>Commodity group</u>	3rd quarter	<u>% share<sup>(2)</sup></u>	% change over
	<u>1995</u>		<u>3rd quarter 1994</u>
	( ' 000 tonnes)		
Petroleum, petroleum products and related materials	4 160	19	+16
Coal, coke and briquettes	2 722	13	+7
Artificial resins and plastic materials	1 666	8	-2
Iron and steel	1 310	6	-12
Other manufactured goods classified chiefly by material	1 104	5	+25
Paper and paper products	1 093	5	-14
Machinery	1 056	5	+2
Cement and cement clinker	692	3	-9
Textile yarn, fabrics, made-up articles and related products	629	3	-1
Stone, sand and gravel	622	3	+43

- Notes: (1) Seaborne inward cargo comprises seaborne imports and seaborne inward transhipment.  
 (2) % share is the share in tonnage terms with respect to the total tonnage of seaborne inward cargo.

**Table 5: Seaborne outward cargo <sup>(1)</sup> by top ten principal commodities**

<u>Commodity group</u>	3rd quarter		% change over
	1995	% share <sup>(2)</sup>	3rd quarter 1994
	('000 tonnes)		
Other manufactured goods classified chiefly by material	1 139	11	+26
Machinery	1 081	10	+10
Other manufactured articles	820	8	+14
Toys	787	7	+11
Petroleum, petroleum products and related materials	774	7	+65
Articles of apparel and clothing accessories	514	5	-6
Other chemicals and related products	378	4	*
Textile yarn, fabrics, made-up articles and related products	360	3	+14
Artificial resins and plastic materials	351	3	+18
Footwear	330	3	-1

Notes: (1) Seaborne outward cargo comprises seaborne exports (domestic exports plus re-exports) and seaborne outward transshipment.

(2) % share is the share in tonnage terms with respect to the total tonnage of seaborne outward cargo.

(3) \* less than 0.5%.

End

AFD staff commended for outstanding performance

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The Director of Agriculture and Fisheries, Dr Lawrence Lee, today (Monday) commended all the staff of his department's Country Parks Division for their outstanding performance in handling the recent Tai Tong Lychee Valley case.

Dr Lee gave the commendation at the department's annual prize presentations held at its headquarters this (Monday) morning.

He praised the country parks staff for their excellent job in the enforcement actions in November and December last year.

At the ceremony, Dr Lee also presented prizes to winners of the Departmental Staff Suggestions Scheme.

Two staff members of the Tai Tong Nursery, Mr Poon Wai-chi and Mr Lo Lai-tong, shared the top honour with their well-planned creation of a new method to grow seedlings. They were awarded a \$6,000 cheque and a certificate of commendation.

Three members of the Aberdeen Country Park Management Centre (ACPMC) and a field officer of the Rabies Control Section emerged as the first and second runners-up. ACPMC's winning combination is the use of stone-like concrete slabs for site construction, while the Rabies Control Section officer's suggestion is the replacement of metal dog cages by fibreglass ones.

Other professional officers commended under the scheme today included a forestry officer, Dr Yeung Ka-ming and a fisheries officer, Mr David Cook. Dr Yeung was acknowledged for his thoughtful installation of a country park information system with interactive computer facilities, whereas Mr Cook was recognised for his various suggestions to promote the economic use of paper in the office.

Dr Lee thanked all those who had taken part in the scheme, adding that each winning suggestion was both innovative and practical.

At today's ceremony, he also presented commendation certificates and prizes to winners of the Serving the Community poster design competition.

Seventy-one departmental members also received long and meritorious service certificates. They have chalked up a total of 1,558 years of service. Retirement souvenirs were also given to 26 staff members who have retired recently.

End

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 79.9 per cent of capacity or 468.333 million cubic metres.

This time last year the reservoirs contained 411.057 million cubic metres of water, representing 70.1 per cent of capacity.

End

Flushing water cut in Tai Po

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Flushing water supply to some premises in the northern part of Tai Po will be temporarily suspended from 10 pm tomorrow (Tuesday) to Thursday (February 1) for the checking of the flushing water supply system.

All premises along Yuen Shin Road, Ting Kok Road west of Yuen Shin Road, Yue Kok Tsuen, Chuen On Road, Tung Leung Road, Tung Leung Lane, Fu Chung Lane, Fu Heng Estate, Chung Nga Court, Fu Shin Estate, Yee Nga Court, Ming Nga Court, On Po Road, On Po Lane, Sun Hing Garden, New Territories Regional Police Headquarters, Tai Yuen Estate, Ting Nga Court, On Pong Road, On Tai Road, On Cheung Road, On Man Square, On Chee Road, On Hoe Lane, Ting Lai Road, San Wai Tsai, Tai Po Indoor Recreation Centre, Tai Po Swimming Pool, Ting Tai Road, Kau Hui Chik Street, Chui Lok Street, Wang Tau Kai, Mei San Lane, Ping On Lane, Chui Wo Lane, Chui Yi Street, Tai Po Tai Wo Road, Ying Pun Ha, Tai Po Sports Ground, Tai Po Tau Road, Serenity Park, Tai Po Government Offices, Tai Po Fire Station, KCR Tai Wo Station, Tai Wo Estate, Tai Po Tau Temporary Housing Area, Po Nga Court, San Wa On Lane, Tai Po Tau Drive, Tai Po Road-Tai Wo Section, Tai Po Road-Yuen Chau Tsai Section, Tai Po Garden and Tai Po Tau Pumping Station will be affected.

End

Hong Kong Monetary Authority money market operations

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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,500	0930	+1,001
Closing balance in the account	3,024	1000	+1,001
Change attributable to :		1100	+1,001
Money market activity	+1,001	1200	+1,001
LAF today	+523	1500	+1,001
		1600	+1,001

LAF rate 4.25% bid/6.25% offer TWI 124.0 \*-0.1\* 29.1.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.40	2 years	2711	5.60	100.65	5.28
1 month	5.40	3 years	3901	5.57	100.40	5.50
3 months	5.35	5 years	5012	6.38	102.34	5.91
6 months	5.29	7 years	7211	6.82	104.00	6.19
12 months	5.21	5 years	M502	7.30	105.00	6.17

Total turnover of EF bills and notes - \$14,484 million

Closed January 29, 1996

End