



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
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Tuesday, January 21, 1997

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Transcript of Governor's media session

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The following is a transcript of the media session given by the Governor, the Rt Hon Christopher Patten, after today's (Tuesday) ExCo meeting:

Governor: Good morning. Among other things, we discussed in the Executive Council this morning the extremely disturbing announcement made on Sunday by the Preparatory Committee "Legal" - I think that is how they describe themselves - Subcommittee. We very much share the widespread concern throughout the community about the proposals which have been made by this group of people. I hope they will have noticed just how deep the anxieties in the community are. I think those concerns focus on three things.

First of all, these proposals would undermine the rule of law, and it is the rule of law which is fundamental to Hong Kong's decency and prosperity. They are, to be honest, legal nonsense and they would raise serious question-marks over the early days and weeks and months of the SAR Government.

Secondly, these proposals undermine the promise that Hong Kong people themselves will run Hong Kong. These are decisions about the protection of civil liberty which should be taken in Hong Kong - of course in line with the Joint Declaration and the Basic Law and the International Covenants which are applied through the Basic Law to Hong Kong.

Thirdly, I am afraid these proposals send a very powerful and disturbing message to this community and to the international community about China's view of human rights in Hong Kong. It is a disturbing message and I hope the damage which has been done can be corrected as rapidly as possible.

Question: What concrete steps will the British and Hong Kong Governments be taking now?

Governor: We are discussing with London the diplomatic steps that we will now take. That will include, of course, raising our very deep concerns through the Joint Liaison Group machinery but we will be going further than that and as soon as we have an announcement we will make one.

Question: Mr Patten, now that China insists that the covenants appeared to contradict with the Basic Law, and if Britain doesn't agree with this will it suggest to take the case to the International Court?

Governor: Nobody agrees with this. There will be lawyers, I hope, making the position absolutely plain to the Legislative Council later this week. There is no attempt whatsoever to justify these decisions by pointing out exactly how some of these Bill of Rights provisions infringe the Basic Law, no attempt to do that at all. There aren't legal arguments insofar as legal issues are raised, and what is proposed is complete nonsense.

Question: How far can the British and Hong Kong Governments go? What makes you think that you can take any sort of action that will result in some sort of reversal? It didn't seem to work with the creation of the provisional legislature. What makes you think that any steps you take now will have any effect at all?

Governor: We are looking at what more we can do. But clearly, we are concerned about what appears to be the reckless disregard which some Chinese officials seem to show for the impression created about Hong Kong, about its future, about its freedom, about its success and stability. China must learn to trust Hong Kong. Hong Kong is a moderate and responsible place. Look out there, this isn't a community which is on the edge of social chaos. It is not necessary to do these things which China is talking about. Chinese officials have got to learn to trust this community which is sophisticated, stable and successful. And it has got to leave these decisions to the SAR Government. Thank you very much.

End

Government House spokesman on Indian group's press statement

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In response to enquiries about a claim made in a press release issued by the Indian Resources Group that Government House has strictly specified that no press be allowed at an Indian Association luncheon attended by the Governor tomorrow, a Government House spokesman said Government House has never made that request.

"In fact, Government House has made it clear to the Indian Association that we are happy to have the presence of the news media, but they have decided that they wish the event to be private.

"We respect their wish. The speech that the Governor will be delivering will be released to the press afterwards," the spokesman said.

End

Customs' response on normal inspections on PLA

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Replying to press questions on whether the PLA would be subject to normal customs inspections on entering or leaving Hong Kong, the Commissioner of Customs and Excise, Mr Lawrence Li Shu-fai, today (Tuesday) said that the present law is clear that anyone who enters or leaves Hong Kong is subject to customs inspections unless he is exempted from such control (for example those who are accorded with diplomatic privileges) under the law.

"At present such exemption does not apply to the PLA under the current legislation," Mr Li said.

Following the handover the arrangements in this respect would depend on what the law says at that time, he added.

End

Business as usual for HK's budgetary and fiscal planning

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The Secretary for the Treasury, Mr K C Kwong, today (Tuesday) said the prudent fiscal policies that had worked so well in the past had continued to guide the formulation of the Budget in the forthcoming year. They would also continue to guide the formulation of future Budgets after the transition.

Speaking to a visiting delegation from the French Bankers Association, Mr Kwong said he was confident that as far as Hong Kong's budgetary and fiscal planning was concerned, it would be business as usual.

He said the reason was simple. "We have our fiscal policies enshrined in the mini-constitution of the future Hong Kong Special Administrative Region - the Basic Law," he said.

"Article 107 of the Basic Law states that - 'The Hong Kong Special Administration Region shall follow the principle of keeping expenditure within the limits of revenues in drawing up its budget, and strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of its gross domestic product.'

"This article enjoins us to continue to maintain a small government and live within our means."

But, Mr Kwong said, that was not the end of the story.

"Article 108 of the Basic Law states that - 'The Hong Kong Special Administrative Region shall, taking the low tax policy previously pursued in Hong Kong as reference, enact laws on its own concerning types of taxes, tax rates, tax reductions, allowances and exemptions, and other matters of taxation.'

"Not only does this article require us to maintain our low (simple and predictable) taxation system, it makes it clear that Hong Kong will have autonomy in the decision of its tax policies from the Chinese Central Government," he added.

Turning to the philosophy of Hong Kong's fiscal policies, Mr Kwong said insofar as the role of the Government is concerned, "we are great believers in the adage that small is beautiful".

"We firmly believe that it is the private sector which generates the wealth on which all else depends. We have no wish to see a public sector which grows disproportionately and which competes with the private sector for resources. The implications in terms of higher taxation, reduced competitiveness and distorted investment decisions are simply unacceptable to us," he said.

"The consequences of this philosophy is that as a share of the economy, measured by GDP, we have kept the public sector at below 20 percent."

The Secretary for Treasury said a corollary of the "small government" philosophy was that "we live within our means".

"We spend only what we can afford (both economically and fiscally). In the past ten years, we have seen only one year in which there has been a budget deficit. That was in 1995-96 because of our substantial investment in the new airport and related infrastructure, an investment which will bring us enormous long term dividends," he said.

"Yet, despite the deficit in 1995-96, we have added over HK\$120 billion to our reserves in the last ten years. And we are one of the few governments in the world to have no outstanding debt."

Mr Kwong went on to explain how the Government puts this philosophy into practice.

"On expenditure, we keep strict control over government spending. We do not allow it to grow, over time, faster than the trend growth rate of the economy. It is worth emphasising that we are focusing not on expenditure growth in one year, but in a number of years over time," he said.

"To achieve this medium term control on expenditure growth, we adopt a five year planning horizon. Each year, in considering our fiscal health and the Budget for the coming year, we look at our expenditure commitments and economic prospects in the current and upcoming four years."

On revenue, he said, Hong Kong maintains a low, simple and predictable taxation system.

"A low taxation system ensures resources are left as far as possible in the private sector. A simple taxation system ensures efficiency in tax collection by minimising the scope for tax avoidance. A predictable taxation system provides the necessary assurance to investors to invest in the medium and longer term," he said.

Mr Kwong noted that this successful two-pronged approach had raised sufficient revenue to meet Hong Kong's spending needs and built up a very healthy level of reserves.

"Applying these principles has generated the resources for a modern infrastructure, for better homes, for better health care, for better schools and social welfare," he added.

End

BA to open up committee meeting

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The Broadcasting Authority will open up its Codes of Practice Committee meeting to the public this Saturday (January 25).

The Committee has been set up to review the codes of practice relating to programme, advertising and technical standards for broadcasting services and to make recommendations regarding amendments to the codes to the Broadcasting Authority.

The meeting on Saturday, to be chaired by Mr Clement Tao Kwok-lau, will discuss the draft codes of practice on programme and advertising standards for programme services which are expected to be licensed upon enactment of the Television (Amendment) Bill.

Members of the public are welcome to observe the proceedings of the meeting which will take place at 9.30 am at the Conference Room of the Television and Entertainment Licensing Authority, 39th Floor, Revenue Tower, 5 Gloucester Road, Wan Chai. As seating capacity is limited, they should ring 2594 5707 to reserve a seat.

End

Alarm system and phone allowances for single elderly

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The Social Welfare Department has awarded a special grant to some 1,100 single elderly people to help them install an emergency alarm system designed to summon immediate rescue when in distress.

A department spokesman said today (Tuesday) that the number of applications for the grant had been increasing steadily and that the trend would continue.

He said the experience of the cold spell early last year showed that elderly people living alone were not always aware of the importance of effective communication at times of emergency.

The SWD launched a four-month exercise last August to reach out to all single elderly Comprehensive Social Security Allowance (CSSA) recipients who were not receiving a subsidy for telephone charges to help them install a telephone if they needed one.

The exercise found that as at the end of December 1996, out of 56,000 single elderly CSSA recipients living alone, about 53,000 (or 95 per cent) were known to have a telephone available for use in emergency.

"Among the 53,000, we have granted telephone allowance to some 23,000, or 41 per cent," the spokesman pointed out.

"The other 30,000 were found to have access to a telephone either through their landlords or fellow-tenants."

Most of the remaining 3,000 recipients who rejected the telephone offer said they found the device disturbing.

Others gave the reason that they intended to leave Hong Kong or to move house, he said.

"During this exercise, our staff also took the opportunity to introduce to the elderly the social networking scheme and the availability of the emergency alarm system grant for those in special need," the spokesman said.

End

Sham Shui Po DB organises seminar on new arrival students

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Principals, teachers and social workers providing services for new arrival students in Sham Shui Po and new immigrants are invited to participate in a seminar on February 1 (Saturday).

Co-organised by the Sham Shui Po District Board's Working Group on Youth and Sham Shui Po District Office, the seminar is aimed at examining the characteristics of new arrival students in the district and reviewing the existing services provided for them.

Guest speakers, including the Chairman of Sham Shui Po Group and Community Services Co-ordinating Committee, Mr Leung Suet-chung; a social worker of International Social Service Hong Kong Branch, Ms Liu Kam-fung; and Deputy Headmaster of Sham Shui Po Kai Fong Welfare Advancement Association Primary School, Ms Tse King-chee, will give their views on a survey conducted by the working group last year on adaptation and needs of young new arrivals from China in the district.

Sham Shui Po District Officer, Mr John Leung; Sham Shui Po District Social Welfare Officer, Miss Leung Chuen-nam; and Sham Shui Po Senior Education Officer, Mrs Jeanne Chan, will talk about services provided to new arrival students.

New arrival families and students will be invited to share their experiences with other participants.

The seminar will be held from 9 am to 1 pm at the City University of Hong Kong. For enrolment and enquiries, please call 2720 4251 Ext 2.

End

AFD staff commended for suggestions

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Thirteen staff members of the Agriculture and Fisheries Department (AFD) were commended under the Departmental Staff Suggestions Award Scheme by their director, Dr Lawrence Lee, this (Tuesday) morning.

Speaking at the AFD's annual presentation ceremony held at the department's headquarters, Dr Lee praised the award winners, all attached to country parks management centres, for their innovative and practical suggestions.

Mr Lam Tak-choi from the Clear Water Bay Country Park Management Centre emerged as the overall winner and was awarded \$10,000 for his innovative method to improve the collection and clearing of ashes from barbecue pits.

The suggestion to replace aluminium litter stockade plate by concrete plate earned Mr Wong Shing-lung and Mr Cheng Shun-ming a cash award of \$3,000. Both of them work in the Pak Tam Chung Management Centre.

A team of six from Tai Tong Management Centre was awarded \$3,000 for a method to construct concrete tree imitation barbecue pit.

Four other country parks management staff were presented with cash prizes and certificates of commendation for suggestions to improve efficiency and cost-effectiveness in their work.

At the ceremony, Dr Lee also presented a letter of commendation to a fisheries technical officer, Mr Chan Hung-tao, for his effort in the successful development and promotion of the use of moist pellet fish feed.

Meanwhile, 29 staff received certificates for their long and meritorious service. They have served in the department for either 20 or 30 years.

Retirement souvenirs were also presented by Dr Lee to 58 colleagues, whose length of service ranged from 14 to 42 years.

Dr Lee said the long-serving colleagues had made contributions to the department's work on agriculture, fisheries, conservation and country parks.

End

Industry Department's Home Page launched

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The Industry Department has set up an information centre on the Internet World Wide Web to disseminate to the public and industrialists information on the work of the department and support services available to manufacturers.

Over 38 million global users of the world-wide computer system can also access services of the Department on facilitation of foreign direct investment in Hong Kong on its Investment Promotion Home Page.

Information on direct services provided to the public, including laboratory accreditation, standards and calibration, product standards information and environmental support to manufacturers, is available on the Home Page.

Details of various industry-support funding schemes introduced by the Government to support projects beneficial to the development of Hong Kong's manufacturing and services industries are placed on the Internet.

These funding schemes include Applied Research and Development Scheme, Industrial Support Fund, Co-operative Applied Research and Development Scheme and Services Support Fund.

Apart from a full list of the Industry Department's contact and enquiry telephone numbers, brief descriptions on some industry-support organisations, such as the Hong Kong Productivity Council and the Hong Kong Trade Development Council, are also included.

Hyperlinks to Internet Home Pages of these organisations have been given whenever possible.

The address of the Industry Department's Home Page is at <http://www.info.gov.hk/id>.

The Department's Investment Promotion Home Page disseminates information on the Industry Department's investment promotion programme.

The programme is organised by a network of seven industrial promotion units (IPU) attached to Hong Kong Government's Economic and Trade Offices in Tokyo, New York, San Francisco, London, Brussels, Toronto and Sydney and by the "One Stop Unit" of the Department.

"The objective of the investment promotion programme is to encourage technology or knowledge transfer to promote quality and productivity of local manufacturing and services sectors," a spokesman for the Industry Department said today (Tuesday).

"Hong Kong is already well-established as one of the principal services centres and a manufacturing control centre. It has well proven capabilities for high value-added and technology or knowledge-based undertakings in both services and manufacturing industries.

"The Internet World Wide Web is an obvious choice for putting across our message, since our target audience is both local and overseas," he added.

Users of the Internet will have access to the locations and the services provided by the IPUs and the One Stop Unit, as well as the Department's quarterly newsletter which highlights Hong Kong's technological capabilities in the manufacturing sector and the service industries.

The Investment Promotion Home Page is at <http://www.info.gov.hk/investment>.

End

Red packets given to elderly

About 40 residents from the Ho's Clansman Association Hostel for the Elderly were each presented a red packet (Lai See) today (Tuesday) to celebrate the forthcoming Lunar New Year, thanks to the Tang Shiu Kin and Ho Tim Charitable Fund.

The red packets were distributed by the Director of Social Welfare, Mr Andrew Leung Kin-pong; Dr Ho Tim; and Mr Richard Tang at a ceremony in Po Leung Kuk.

About 8,500 single-parent families receiving Comprehensive Social Security Allowance and 950 other elderly people will also be given red packets in the next few days.

Each single-parent family will receive 150 and an elderly person \$100.

More than \$1.38 million from the fund has been earmarked for the purpose this year.

The fund, administered by the Social Welfare Department, provides immediate financial assistance to individuals or families cope with sudden hardship.

End

Transfer of VMs from HIDC's South Camp today

A group of about 200 Vietnamese migrants, mainly from the South Camp in High Island Detention Centre, will be transferred to the Centre's Security Unit today (Tuesday) in preparation for their return to Vietnam under the Orderly Repatriation Programme.

They will go through pre-flight documentation and medical checks prior to their repatriation on January 28.

The transfer will be observed by independent monitors.

End

Monitors' report submitted to CS

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The monitors appointed to observe the transfer of Vietnamese migrants selected for the Orderly Repatriation Programme from the High Island Detention Centre to the Centre's Security Unit this (Tuesday) morning have submitted their report to the Chief Secretary.

The four monitors comprised two non-official Justices of the Peace, Mr Chiu Chun-bong and Professor Nelson Chow Wing-sun; and representatives from two non-government organisations, Mr Thierry Taveaux from Medecins Sans Frontieres and Mr Neil Papenfus from Oxfam, Hong Kong.

End

Insider Dealing Tribunal lay members appointed

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The Financial Secretary had appointed Messrs Selwyn Mar and Ian G McEvatt as lay members of a division of the Insider Dealing Tribunal to hear the Chevalier (OA) International Limited insider dealing case, a Government spokesman announced today.

The Chevalier case is the sixth insider dealing case referred by the Financial Secretary to the Tribunal since the Securities (Insider Dealing) Ordinance came into effect in September 1991.

The spokesman pointed out that Mr Mar was an accountant by profession and was the managing director of an accounting firm. Mr McEvatt was the chief executive of an asset management company, he added.

He said that the Tribunal would hold a preliminary hearing on the Chevalier (OA) International Limited case on January 23, 1997. Mr Justice Burrell, Chairman of a division of the Tribunal, will preside over the inquiry.

At the preliminary hearing, the Tribunal will announce its terms of reference and procedures for the inquiry, state its duties and powers, receive applications for representation and set a date for the main hearing.

The preliminary hearing will start at 2.30 pm and will be held in Room 702, Peregrine Tower, Lippo Centre, Queensway, Hong Kong.

End

58 convicted pollution cases recorded in December

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A total of 58 convictions were recorded in the courts in December 1996 for breaching anti-pollution legislation enforced by the Environmental Protection Department.

Among them, 17 were convictions made under the Water Pollution Control Ordinance (WPCO), 14 under the Noise Control Ordinance (NCO), 17 under the Air Pollution Control Ordinance (APCO), two under the Ozone Layer Protection Ordinance (OLPO), six under the Waste Disposal Ordinance (WDO) and two under the Dumping at Sea Ordinance (DASO).

The fines ranged from \$500 to \$150,000. Chun Wo Construction Limited was fined \$150,000 for using powered mechanical equipment not in accordance with permit conditions.

End

January issue of Monthly Digest of Statistics on sale

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Two feature articles entitled Employment Situation of First Degree Graduates 1995 and Indicators on the Provision of Health Facilities and Manpower are published in the January 1997 issue of the Hong Kong Monthly Digest of Statistics, which is now on sale.

The higher education institutions funded by the University Grants Committee conduct Graduate Employment Surveys annually to collect information on the employment situation of all full-time graduates of the year. The survey findings provide valuable information for academic planning by the University Grants Committee and the institutions themselves.

The feature article, Employment Situation of First Degree Graduates 1995, summarises the findings of the 1995 survey in respect of first degree graduates.

The population of Hong Kong, amounting to some six million, is provided with a comprehensive range of medical and health services. Such provision of services can be reflected through indicators on the provision of health facilities and manpower.

The commonly used indicators, compiled on the basis of statistics on the provision of hospital beds, doctors and dentists, are analysed in the article, Indicators on the Provision of Health Facilities and Manpower, to reflect progress on these aspects during the period between 1980 and 1995.

During the period, the growth rates for hospital beds, doctors and dentists all compared favourably with the population growth rate. Therefore, the ratios of bed-to-population, doctor-to-population and dentist-to-population have all shown improvement from 1980 to 1995.

Comparison of these indicators with selected countries/territories is also made in the article. The ratio of bed-to-population for Hong Kong was comparable to those of the United States of America and the United Kingdom, while the ratios of doctor-to-population and dentist-to-population for Hong Kong were lower than those of these two countries.

Apart from the above two feature articles, the January 1997 issue contains the most up-to-date information on Hong Kong's development regarding economic growth, labour market, inflation and many other social and economic issues.

The January 1997 issue of the Hong Kong Monthly Digest of Statistics is now on sale at \$34 a copy. Purchase can be made at the Government Publications Centre, ground floor, Low Block, Queensway Government Offices, 66 Queensway, and the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

Regular subscription can also be arranged with the Publications Sales Office of the Information Services Department on 2598 8196.

End

Hong Kong Monetary Authority tender results

Tender date	:	21 January 1997
Paper on offer	:	EF Bills
Issue number	:	Q067
Issue date	:	22 January 1997
Maturity date	:	19 February 1997
Amount applied	:	HK\$14,080 MN
Amount allotted	:	HK\$5,000 MN
Average yield accepted	:	4.53 PCT
Highest yield accepted	:	4.60 PCT
Pro rata ratio	:	About 76 PCT
Average tender yield	:	4.69 PCT

Tender date : 21 January 1997
Paper on offer : EF Bills
Issue number : Q704
Issue date : 22 January 1997
Maturity date : 23 April 1997
Amount applied : HK\$7,684 MN
Amount allotted : HK\$2,000 MN
Average yield accepted : 4.60 PCT
Highest yield accepted : 4.61 PCT
Pro rata ratio : About 8 PCT
Average tender yield : 4.70 PCT

Tender date : 21 January 1997
Paper on offer : EF Bills
Issue number : Y785
Issue date : 22 January 1997
Maturity date : 21 January 1998
Amount applied : HK\$6,000 MN
Amount allotted : HK\$500 MN
Average yield accepted : 5.13 PCT
Highest yield accepted : 5.13 PCT
Pro rata ratio : About 16 PCT
Average tender yield : 5.26 PCT

Hong Kong Monetary Authority Tenders to be held in the week beginning - 27 Jan 1997:

Tender date : 27 January 1997
Paper on offer : EF Notes
Issue number : 1701
Issue date : 28 January 1997
Maturity date : 29 January 2007
Tenor : 10 Years
Amount on offer : HK\$500 MN + 100 MN
Coupon : 6.89 PCT

Tender date : 28 January 1997
Paper on offer : EF Bills
Issue number : Q068
Issue date : 29 January 1997
Maturity date : 26 February 1997
Tenor : 28 Days
Amount on offer : HK\$5,000 MN

Tender date : 28 January 1997
Paper on offer : EF Bills
Issue number : Q705
Issue date : 29 January 1997
Maturity date : 30 April 1997
Tenor : 91 Days
Amount on offer : HK\$2,000 MN + 500 MN

Tender date : 28 January 1997
Paper on offer : EF Bills
Issue number : H757
Issue date : 29 January 1997
Maturity date : 30 July 1997
Tenor : 182 Days
Amount on offer : HK\$1,000 MN + 300 MN

End

Hong Kong Monetary Authority interbank liquidity

		TIME	AGGREGATE BALANCE OF SETTLEMENT ACCOUNTS
OPENING AGGREGATE BALANCE	514 MN	0930 HR	7,243 MN
CLOSING AGGREGATE BALANCE	530 MN	1000 HR	19,383 MN
CHANGE ATTRIBUTABLE TO :		1100 HR	27,650 MN
MONEY MARKET ACTIVITY	+161 MN	1200 HR	33,216 MN
LAF REVERSAL	+6,376 MN	1500 HR	30,656 MN
LAF TODAY	- 6,521 MN	1600 HR	33,807 MN

LAF RATE 4.00% BID/6.00% OFFER TWI 126.3 *+0.1* 21.1.97

Hong Kong Monetary Authority

EF Bills		EF Notes/MTRC Notes				
Terms	Yield	Terms	Issue	Coupon	Price	Yield
1 week	4.43	2 years	2811	5.72	100.11	5.73
1 month	4.46	3 years	3001	6.17	100.12	6.22
3 months	4.60	5 years	5112	6.57	100.06	6.66
6 months	4.82	7 years	7311	6.80	100.12	6.89
12 months	5.12	10 years	1610	7.37	102.81	7.09
		5 years	M503	7.35	102.06	6.93

TOTAL TURNOVER OF EF BILLS AND NOTES - \$18,775 MN

CLOSED JANUARY 21, 1997

End