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Transcript of the Chief Secretary's Q&A session

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Following is the transcript of the Chief Secretary, Mrs Anson Chan's question-and-answer session at the Eighth Commonwealth Preliminary Seminar, in the Legislative Council today (Monday):

Mrs Elizabeth Wong: First of all, let me say how much I appreciate the excellent speech given by honorary Anson Chan who has set out in very clear terms the prospect for Hong Kong and her view, and also, equally appreciative of the scintillating presence of so many illustrious Honourable Members from other parliaments of many different countries. Therefore I would like to start the discussion by really concentrating on Hong Kong's future as the title of Honourable Anson Chan's speech is about, and our prospects, particularly with focus on the Legislative Council which now sits in this chamber, which is likely to be derailed by China after 1997, 1 July.

So I would like to start the discussion by addressing the question of how does one ensure the high degree of autonomy which is promised Hong Kong under the Basic Law and also the Sino-British Joint Declaration when this Legislature, wholly elected by the people of Hong Kong, is about to be derailed?

As the Honourable Anson Chan has quite rightly said, the SAR - the Special Administrative Region - is going to be called SAR. I hope it does not turn into the "SAR" becomes a "TSAR" (T-S-A-R) which really means a "Token Special Administrative Region". Now, I am not a pessimist, neither am I an optimist; I am what might be called a new "pessoptimist" which is a new word, which is a neither optimistic nor pessimistic person. But I really would like to see and hear from Honourable Members of this meeting what they feel should be done, ought to be done, could be done for Hong Kong, to attain our high degree of autonomy - unless one is already sure that we have got it?

Mr F V M Mkandawire (Malawi): Thank you Honourable Chairman. I want to speak on the prospects for Hong Kong under the principle of one country, two systems. When you examine this principle thoroughly you will find that the prospect that you have actually been given will easily be dashed, because you cannot hold two systems in one country. But the only way for Hong Kong to avoid its autonomy to be jeopardised by Mainland China, is to ensure that there is no formation of a socialist party in Hong Kong. Immediately you accept the formation of a socialist party, just know that all your hopes will actually be dashed. Well, at the moment that is what I wanted to say.

President: Did I hear "socialist" or "communist" party?

Mr F V M Mkandawire (Malawi): Well, I think it is, according to the Basic Law, it says a socialist system. If the socialist system is the Communist Party, then Hong Kong should not form a communist party or a socialist party. I think that is the only way you can safeguard your autonomy.

President: I think Mrs Chan would like to respond to that.

Chief Secretary: Can I make the first point and that is that I personally believe that it is entirely possible to have one country, two systems. And the Basic Law and the Joint Declaration, indeed, lay out the foundation upon which you will practise that concept of one country, two systems. In particular, these two documents make it quite clear that Hong Kong will practise a system that is totally different from the system prevailing in Mainland China.

Of course everybody knows that in Mainland China the system is a socialist system. But the Basic Law and the Joint Declaration make it quite clear that the socialist system will not be practised in Hong Kong and that the capitalist system in Hong Kong will continue to exist both before 1997 and after 1997. And the foundation and the framework for that one country, two systems for underpinning the capitalist system are all very clearly laid out in these two documents and I have just given a very brief outline of the institutions that are already in place or will be in place before 1997, in order to ensure that our capitalist system and our freedoms and our way of life can continue after 1997.

Mr Wilson Tuckey (Australia): Mrs Chan, you made passing reference to the actions of the US Government in particular in recognising both the Joint Declaration and the Basic Law in their own legislation. Have you a view on whether other foreign countries, particularly those associated with the Commonwealth Parliamentary Association, were they to take similar action, particularly in the next 12 months, whether that would be beneficial to your prospects for the future?

Chief Secretary: I am not sure whether the Honourable Delegate is referring specifically to the US-Hong Kong Policy Act?

Mr Wilson Tuckey (Australia): Yes, I think I am.

Chief Secretary: Of course other countries have not specifically taken the action that the United States Administration have taken. But that said, we have in fact been very encouraged by the degree of support that we have received from other countries - from all our trading partners, whether they are within the Commonwealth or outside, including European states and other states. They have not been hesitant in expressing first of all their interest and concern for what goes on in Hong Kong, particularly their concern that Hong Kong should retain its current lifestyle, its systems and its freedoms, after 1997. They have been particularly anxious to express to Chinese leaders their interest in Hong Kong because they have very substantial investments - many countries now increasingly, particularly against the background that we are now the eighth largest world trading entity. Of course more and more countries have substantial stakes in Hong Kong and even if they were not considering the interests of the Hong Kong people themselves, in their own interests they have a stake in ensuring that Hong Kong continues to prosper after 1997.

I think it is for countries themselves to decide what is the best way of anchoring that degree of interest, ensuring that they can continue to focus on what happens in Hong Kong after 1997. But I have no reason to believe, and indeed have every reason to believe the opposite, and that is that after 1997 our trading partners will continue to take an interest in what goes on here and will continue to express concerns to Chinese leaders if they see things going wrong in Hong Kong.

Mr Wilson Tuckey (Australia): Yes, but would you encourage other countries to take the action that the United States has taken?

Chief Secretary: There are, of course, many ways of taking action that can be equally reassuring to Hong Kong people. If countries wish to adopt the same action as the United States, then of course we will be delighted. But equally, if countries come to the conclusion that some other means might be a better way of expressing those concerns, then we would equally welcome those measures.

A delegate from Pakistan: Thank you Mr Chairman. I would like to know about one thing that Mrs Chan has stated in the treaty that she has made with Mainland China: After 50 years (from) 1997 your (inaudible) is a little bit silent. What will come out when 2047 - what will be the fate at that time for the future of Hong Kong?

President: By which time I will be dead. And probably you will be dead too.

Chief Secretary: It is true that the Joint Declaration and the Basic Law mention only that the current systems will continue for 50 years after 1997. I recollect that Deng Xiaoping did at one stage say maybe it will even continue for 100 years, although the JD and the Basic Law do not make specific provisions for 100 years.

I would expect that in 50 years time we would see very, very significant changes in China itself. We will, of course, see changes in the rest of the world and certainly changes in Hong Kong. And provided - and no one is suggesting the contrary - provided China continues on its open-door policies and continues to prosper economically, I think that in its wake there will come political liberalisation. And so over the years, beyond the 50 years, I would think that there will come a stage when the gap, whether in economic or political institutions, between China and Hong Kong, will close and close very rapidly. And so, hopefully - hopefully - by 100 years after 1997, maybe it will be one country, one system - and Hong Kong's system at that.

A delegate from Pakistan: Hopefully. But nowadays, still they have a treaty - with Russia and China, you know. What will come out after 100 years? Nobody knows.

President: I am sorry, I cannot hear you.

A delegate from Pakistan: You see China has a treaty right away with Russia; these days they have some signed agreement with each other. And nobody knows what will happen after 100 years. We are hoping, which you've said - let us hope for the better for the future. That is the only thing I can say.

President: Mrs Wong happens to be a "pessoptimist". But Mrs Chan might be an 'optipessimist'.

A delegate from Pakistan: Yes, she has a new word in the dictionary of English.

President: I wonder what word you use.

Mr Kenneth Allen (Montserrat): Mr Chairman, I seek a clarification. The Honourable speaker said that until the appointed day only the Government, the Privy Council and the Legislative Council will exercise power. I take it that the reference to the Privy Council is to the Judicial Commission of the Privy Council. If I am right, and considering that appeals only go there from the High Court of your lands, why is the reference to the Privy Council rather than to the Courts of the land?

Chief Secretary: The Privy Council is of course the Court of Final Appeal under our current system and it will be so up to 30 June 1997. But the Basic Law also makes provision for the Court of Final Appeal to be established here in Hong Kong and we have passed an Ordinance which will come into effect on 1 July 1997 which will establish the Court of Final Appeal here in Hong Kong. So before 1997, the Privy Council will still deal with all cases. After 1997, the Court of Final Appeal will be rooted firmly in Hong Kong and cases will then be heard by the Court of Final Appeal.

Miss Emily Lau: Thank you Chairman. Chairman, I just want to respond very briefly to the remarks by the delegate from Australia and the question of the delegate from Malawi.

On the point raised by the delegate from Australia, I think many of us in Hong Kong would look to the international community for support in the very trying and difficult months and years ahead. So regardless of what the United States Government and politicians decide to do, especially Members of the Commonwealth, we certainly hope that you will continue to pay attention to what is happening here and especially if you see violations of the Joint Declaration and the Basic Law, gross violations of human rights, we hope you will do what you can to help us. After all, we are six million defenceless and powerless people who have been by and large abandoned by the United Kingdom Government.

Chairman, on the question by the delegate from Malawi. I do not think the Chief Secretary answered his question head on because he was talking about the formation of a socialist party here and he thinks that would not be possible for one country, two systems to flourish. But I am sure the delegates all know that the Chinese Communist Party is alive and well in Hong Kong, in fact every since the Party was formed in 1921 it has been operating here. And of course if you look at the Joint Declaration and the Basic Law there is no reference to the CCP but that does not mean the CCP will not continue to exist.

But I agree with our Chief Secretary that it is possible for one country and two systems to succeed, and what it needs is maximum self-restraint by the Chinese Government and the Chinese Communist Party, and right now we do not see signs of that. And maybe the Chief Secretary can share her thoughts with us: how, with the continued existence of the Chinese Communist Party in Hong Kong in future, how we can ensure that we will have a high degree of autonomy.

Mr F V M Mkandawire (Malawi): A point of order please. I want to find out whether the Communist Party that is in existence in Hong Kong has got relations with the Communist Party in Mainland China?

President: This is not really a point of order is it?

Mr F V M Mkandawire (Malawi): No, it is not. Chairman, you are not asleep.

President: I do not think this seminar is about finding out whether or not CCP really operates in Hong Kong, though it might be public knowledge to some people but could be disputed. This is not the court to find whether certain accusations are correct or incorrect.

A delegate from the United Kingdom: Can I ask Mrs Chan: The Chinese Government freely entered into the agreements that it made with the UK Government over one nation, two systems and the Basic Law, but what depth of understanding do you think actually exists within the Chinese Government about the importance of free and democratic and accountable government in Hong Kong? Because these things can be overruled against their basic interests without necessarily understanding the consequences of different actions.

Also, in response to the question that was raised by the Executive Member - I am sorry, at the other side of the room - where she said she felt that six million people had been abandoned by the UK Government. At this point in time, not looking back at what might have been done yesterday or the day before yesterday, what specifically is the UK Government not doing that it should be doing?

President: Mrs Chan, would you like to respond to that or would you like to take a few more questions before you respond to them?

Chief Secretary: I will respond to the first part of the question. I think that on the second part of the question perhaps Miss Emily Lau would like to elaborate on that. I am bound to say that on the whole I am generally satisfied that the United Kingdom, together with the Hong Kong Government, are doing everything it possibly can to secure and provide the foundation for the implementation of one country, two systems, and Hong Kong people ruling Hong Kong. But perhaps more of that later.

On the first part of your question, it is of course true that the political system in China is very different from that in Hong Kong and in our dealings with the Chinese it is not always apparent to us that they totally comprehend and understand the differences, the reasons for the differences, between the political system that exists in China and the political system that exists in Hong Kong. I personally have no doubt that the Chinese leaders are sincere in saying that they intend fully to implement the Joint Declaration and the Basic Law. But because their concepts and their values are so very different from ours, I think we sometimes have the feeling that it is a lack of comprehension, a lack of understanding, that results in actions and words which causes concern and which tend to undermine confidence here.

And so against that background it seems to me, personally, to be particularly important that we do not always condemn the Chinese, that we should seek always to try and explain why our systems are different, why it is in China's own interest that they should allow the differences in the two systems to exist and indeed to continue, because that clearly is the basis for ensuring Hong Kong continues to prosper. And if Hong Kong continues to prosper and to grow, then clearly that would also be of direct benefit to China, given our increasingly close economic relationship.

But explanation on its own and understanding and patience on our part are not in themselves adequate. The fact is that time is rapidly running out. We only have just slightly over 400 days to put in place all the necessary mechanisms that will enable the SAR to exercise a high degree of autonomy. I think we increasingly require Chinese leaders to show more co-operation. We require Hong Kong people, particularly Hong Kong people who have dealings with China, to be more prepared to stand up, as I said in my speech, to defend and to explain our autonomy.

Of course the Chinese may have different points of view on what is best for Hong Kong. That arises largely out of a lack of understanding of our systems. Hong Kong people who have dealings with China understand very well our systems. It is really largely up to them to try and explain the differences and to defend our autonomy. The fact that the Chinese may say let's do it a particular way, does not necessarily mean that that is the best way. Of course we have to seek to persuade the Chinese that our way is a better way of doing it. But unless people in Hong Kong are prepared to express views and express them honestly, they are not going to improve their comprehension and understanding of our systems and our way of life.

A delegate from Pakistan: Mr President, as earlier the Honourable Mrs Anson Chan referred, the main factor, the first factor of the progress of Hong Kong is the rule of law. Can you tell us about after 30 June 1997, about your Judiciary system? You see, for the rule of law you need an independent unbiased Judiciary and what will be the system of appointment - on the basis of seniority, on the basis of likeness of the Government?

Chief Secretary: The independence and impartiality of the Judiciary, according to the Basic Law and the Joint Declaration, will be maintained both before and after 1997. The courts of Hong Kong currently, of course, operate on the principle of complete independence from the Executive and Legislative Branches of the Government. This principle is of course fundamental to the Common Law system that is practised here in Hong Kong and I have just explained that the Common Law will continue to be practised in Hong Kong after 1997.

The Basic Law makes it quite clear that the courts will continue to operate independent of the Executive and the Legislative Councils. Furthermore, the Basic Law sets out very clearly the procedures for the appointment of judges of the courts of the Hong Kong SAR after 30 June 1997. Essentially, the current system for appointing judges will be maintained after 1997. The Basic Law provides that judges shall be appointed by the Chief Executive on the recommendation of an independent - I stress an independent - commission, composed of local judges, persons from the legal profession and eminent persons from other sectors. This Commission will, under the Basic Law, be known as the Judicial Officers Recommendation Commission. Other than the change of name, the procedures for the appointment of judges will remain the same.

Furthermore, judges can only be removed for inability to discharge the functions of his office or for misbehaviour and can only be so removed after an investigation has been carried out by a tribunal appointed by the Governor. This is the current system and this system will continue after 1997.

A delegate from Pakistan: Thank you very much, but I will ask: Who will appoint the members of the Commissions who will select the judges? The judges will be selected by the Commission.

Chief Secretary: The judges will be, as it were, approved by the Chief Executive on the recommendation of a Judicial Officers Recommendation Commission which will be an independent commission.

A delegate from Pakistan: But how it will be independent? Who will appoint the members of that Commission?

Chief Secretary: The members of the Commission will be considered by the Chief Executive.

A delegate from Pakistan: The Chief Executive will represent the Mainland Government?

Chief Secretary: No, no, the Chief Executive is a Hong Kong Permanent Resident who has had no less than 20 years permanent residence here in Hong Kong, who is a Chinese national and who will be, as it were, elected. Currently, the Preparatory Committee is putting together a selection committee that will select the Chief Executive. But the Chief Executive will not be an official sent from Mainland China, he or she will be firmly a person from Hong Kong.

President: I think we can have more of that when we come to the next speaker, Mr Daniel Fung, who will be addressing us shortly, around 11 o'clock. I have tremendous interest - I see that Australia is interested, CPA Headquarters is interested, and so are the members in Hong Kong delegation interested. Would our Hong Kong members defer to Sir Colin first.

Sir Colin Shepherd: Thank you very much Mr Chairman. Can I return to the points raised by Emily Lau and Bob Ainsworth and say obviously the Commonwealth - and I am quite certain that in future exchanges within the Commonwealth, certainly in the CPA, there will be much interest expressed in progress not just over the next 12 months but beyond; there will be no lack of that - one thing we would want to know is the safeguards for the assuredness of the freedom of the press, because without adequate and proper reporting we won't know or won't be able to have access to allegations of breaches of either the Joint Declaration or the Basic Law, and I think we need that basic assurance there.

The second point is, I wonder if Mrs Anson Chan can explain the mechanisms or the institutions that are likely to be put in place to explore the differences of opinion as to whether or not there has been breaches of the Joint Declaration or the Basic Law, after July 1st, 1997.

President: Mrs Chan, would you like to respond to the points made now or would you like to wait a while?

Chief Secretary: Are there other questions?

President: Yes, there is tremendous interest now.

Mr Barry Bishop (Australia): Thank you Mr Chairman. I direct my question to Mrs Chan. I am interested that in fact there are many governments taking a large interest in the transition process that we are talking about and no doubt many governments outside of the Commonwealth will as well. But I am also very interested in the opportunity the corporate world will have, to have an opinion in relation to the transition process. And I say that because of the huge investment infrastructure that the corporate world around the world has put into Hong Kong, and I would ask the question of their ability, aside from governments and knowing in fact that they will go through their governments, of their ability on their own to have an opinion in the structures we will see during that and after the transition process?

A delegate from Malaysia: Mr Chairman, and particularly Mrs Chan, we in Malaysia are looking at Hong Kong with great anxiety because we feel that as a member of the CPA we would like very much Hong Kong, after 1997, remains what they are. And then I would like particularly to ask (with) regard to the democratic process and parliamentary system, as what you said just now, the judicial rule of law for Hong Kong in the future shall be based on the basis of the rule of law. Now I would like to ask you whether in what capacity, what form of rule of law? Whether based on a parliamentary system to that of the Common Law, and based on what background? You talk about the Common Law, are they based on the conventional Hong Kong background or the British system?

And further, I would like to ask, Madam, with regard to the defence - I don't hear very much about the defence system of Hong Kong in future - when Mainland China, under CCP, which has purely the background of the Communist system, and here we would like to see a future democratic process, these two ideologies normally would not go along - then we would look forward with great scepticism/optimism with how the defence system will be looking into Hong Kong's future.

And finally, with the economic point of view, we know fully well Hong Kong has prospered and gone very far from(?) (to) what they are now in the global situation. Now whether they can really meet to a certain level acceptable to Hong Kong people and the country that is the CCP Government in future, with regard to whether they will adopt a win/win situation with regard to the people of Hong Kong and with that in Mainland China. So these three points I would like to ask you to elaborate on.

Mr M H Amier (Tanzania): Mr Chairman, mine is a very simple question. I learnt that before last year Members of the Chamber were nominated by the Governor. What was the procedure followed as one to be nominated?

President: You mean the previous system?

Mr M H Amier (Tanzania): Yes.

President: Can I handle that in my session when I speak? Or, if the Chief Secretary would like to answer that too? I have another Member on my Executive Committee who would like to make a point and another delegate from Hong Kong, but time is running out. Let's keep some time for the Chief Secretary to try to respond to all the points fairly and reasonably.

Chief Secretary: Can I first of all comment on the questions on press freedom. The two International Covenants on Civil and Political Rights, on Economic, Cultural and Economic Rights, are of course applied here in Hong Kong, and under the Basic Law these two International Covenants will continue to apply in Hong Kong after 1997. And in particular, we enacted in the early 1990, the Bill of Rights Ordinance in order to give local effect to the International Covenant on Civil and Political Rights and of course under that, press freedom is one of the freedoms that are guaranteed.

The Letters Patent have also been amended to ensure that we do not have on our Statute Books any laws that are in breach of this International Covenant. And since the enactment of the Bill of Rights Ordinance we have been systematically looking at all our legislation to ensure that all our laws are fully consistent with these two International Covenants. And we have embarked on a comprehensive review, particularly on any laws that inhibit press freedom. We have already dealt with a number of laws - removing draconian laws or laws that in any way inhibit press freedom - and we will be completing this exercise before 1997.

Of course press freedom also depends ultimately on us having a credible independent Judiciary and I have already spoken about the independence of the Judiciary which is guaranteed under the Basic Law.

Insofar as breaches of the Basic Law are concerned after 1997, of course as the signatory to the Joint Declaration the United Kingdom does have an obligation to ensure that the Joint Declaration is complied with after 1997, and the Prime Minister and other senior UK leaders have made it quite clear that they will continue to keep a very close watch over the implementation of the Joint Declaration. And the Prime Minister also made it clear that if there are breaches he would not hesitate to explore all possible means of ensuring that these breaches are considered and dealt with through whatever means may be appropriate.

Corporate structures. I was not quite clear as to the actual question itself, could you just elaborate?

Mr Barry Bishop (Australia): Certainly. Obviously, governments are interested in the changeover period and the changeover time but just as obviously the corporate world is as well because of the investment they have made in Hong Kong. My question really relates to the ability of the corporate world, perhaps through their governments but perhaps independently, to have a say, if you like, in the process of change.

Chief Secretary: In the process of change? You mean if there are breaches you mean?

Mr Barry Bishop (Australia): In fact the structures after mid-year 1997.

Chief Secretary: Well the structures, of course, after 1997, are those structures that by and large exist now. We do not see -- and indeed the Joint Declaration makes it quite clear that we can substantially keep most of our structures as they are now. Of course there will be changes but I would not have thought any fundamental changes in the basic institutions that exist here in Hong Kong for ensuring a level playing-field, for ensuring that all grievances can be properly addressed by an independent Judiciary, for ensuring rule of law, etc, etc.

The corporations who have investments here in Hong Kong, and there are increasingly a larger number of these, will have to basically rely on the health of these institutions. And I have just spoken, generally, that I am satisfied on the whole, provided we all work to defend our autonomy, that these institutions will remain intact and will continue to be in a healthy state after 1997. But in the event there are breaches, in addition to relying on the normal redress through the courts and whatnot, corporations of course always have the other avenue and that is through either their own governments or indeed through direct dealings either with companies here in Hong Kong or with companies in China, or with leaders in China, they can also express their concerns if they see breaches taking place.

But I repeat, essentially, what will guarantee that we conduct our business in a fair open manner are the institutions that I have just referred to and above all the maintenance of the rule of law.

On defence: Under the Basic Law the Chinese Government will of course be responsible for external defence of Hong Kong and for that purpose they will station the People's Liberation Army here. But the Basic Law also makes it quite clear that the PLA will be here only for external defence, they will not interfere in the internal law and order situation or in any internal affairs of Hong Kong. Those will continue to be the responsibilities of the civilian authorities which basically are the Police.

In the event there are emergencies or natural disasters and the SAR Government deems it necessary to call on the PLA - I repeat to call on the PLA - to assist, then the PLA may respond to such request. But the request will have to come initially from the SAR Government. In other words, the PLA cannot on their own interfere in normal law and order and emergency situations here in Hong Kong. The PLA members who are stationed here in Hong Kong will be subject to Hong Kong laws. The Chinese leaders have made it quite clear that while stationed in Hong Kong they will not be allowed to participate in any commercial activities here in Hong Kong.

President: I propose that we take a short break before we invite the second speaker to address us. But in the meantime, I am quite sure delegates may wish me to thank Mrs Anson Chan for her most interesting talk and her responses.

End

Long-term view urged

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Hong Kong people must all take a long-term view of what is good for Hong Kong as a whole and not focus on short-term narrow interests.

Speaking at the Eighth Commonwealth Parliamentary Seminar today (Monday) the Chief Secretary, Mrs Anson Chan, said, "We must not only believe in the promise enshrined in the Joint Declaration and the Basic Law - the promises of a 'high degree of autonomy' and 'Hong Kong people ruling Hong Kong' but above all we must unite to defend the autonomy and freedoms that have been promised us and make it work."

"It has taken Hong Kong many years to refine its institutions, to develop a culture that encouraged honest hard work and eschewed corruption and to build up a reputation for fair play."

"These values are the bedrock of our society. We must preserve and nurture these values if we are to continue to prosper," she said.

Mrs Chan believed that the rule of law, the level playing field and public accountability have been key to Hong Kong's success so far and will be essential elements in its continuing prosperity and stability.

"In Hong Kong today, no one is above the law. Anyone can take the Government to court, and in many cases they will receive legal aid to help them do it," she said.

"The law-making process is open and transparent," she said, adding that all legislative proposals put forward by the Government had to be approved by the Legislative Council, in which the Government had no votes and that the law was enforced impartially and fairly.

On the level playing field, she said Hong Kong prided itself that no-one got a better deal just because of who they were.

"Government contracts are awarded on the basis of the best competitive bid, not on extraneous factors such as nationality of a particular company or who is on its board," she said.

In this regard, Mrs Chan said Hong Kong also had one of the most powerful and efficient anti-corruption organisations in the world.

On public accountability, she said, "The people of Hong Kong have always been very ready to criticise their government whenever the services we provide are not up to the mark. Our press is one of the most vigorous and outspoken in the world."

She added that the Legislative Councillors made full use of their right to question the Government on its policies, examined its legislative proposals and applications for funds and monitor their implementation.

Mrs Chan said these three factors were closely interrelated.

"It is difficult, for example, to ensure that you have a level playing field if the Government cannot be held accountable - either publicly or in a court of law - for the decisions it makes," she said.

"And without press freedom, and a properly representative legislature, it's much more difficult to ensure that the rule of law is upheld."

End

FS to embark on visit to strengthen business partnership

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The Financial Secretary, Mr Donald Tsang, will embark on his nine-day visit to Kuala Lumpur, Singapore and Bangkok tomorrow (Tuesday).

As the leader of a 62-strong delegation comprising representatives from both the public and private sectors, Mr Tsang said the aim of the visit was to strengthen business ties among APEC participants and identify opportunities for building a strategic business partnership with them.

The delegation comprises senior government officials, prominent local businessmen and representatives of the Trade Development Council and the Hong Kong Tourist Association (HKTA), as well as over 30 members of the five professional bodies, namely the Association of Consulting Engineering of Hong Kong, the Hong Kong Construction Association, the Hong Kong Electrical and Mechanical Contractors' Association, the Hong Kong Institute of Architects and the Hong Kong Institution of Engineers.

During his visit, Mr Tsang will call on senior government officials and meet with leading businessmen of the three Asian economies. He will also attend business seminars and make keynote speeches.

The Financial Secretary will also take the opportunity of the visit to update the three cities on the latest developments in Hong Kong.

While in Singapore, Mr Tsang will officially open the Hong Kong Economic and Trade Office (HKETO) and the HKTA Office. The HKETO has been in operation since last August to strengthen economic and trade ties with Singapore and other ASEAN countries.

End

Aircraft maintenance and aircraft ramp handling franchises

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At a meeting between the British and Chinese Senior Representatives of the Sino-British Joint Liaison Group held today (Monday), the British and Chinese sides reached a common view on the franchises for the provision of aircraft maintenance services and aircraft ramp handling services at the new airport at Chek Lap Kok to be awarded by the Airport Authority.

The Airport Authority will award two 10-year franchises for the provision of aircraft line maintenance services to China Aircraft Services Limited and Pan Asia Pacific Aviation Services Limited, as well as a 20-year franchise for the provision of aircraft line and base maintenance services to Hong Kong Aircraft Engineering Company Limited.

As regards aircraft ramp handling services, three 10-year franchises will be awarded to Hong Kong Airport Services Limited, CLK Airport Ground Handling Limited and Ogden Aviation (Hong Kong) Limited.

The Secretary for Economic Services, Mr Gordon Siu, welcomed the agreement.

"We are glad to see a common view being reached on these two important franchises for the new airport in accordance with the Sino-British Memorandum of Understanding Concerning the Construction of the New Airport in Hong Kong and Related Questions. The new airport project has been making excellent progress. This latest agreement marks another major step forward in the development of the new airport towards target opening in April 1998," said Mr Siu.

End

Land and Building Advisory Committee meets

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The Land and Building Advisory Committee (LBAC) held its 41st meeting today (Monday) and discussed a draft design manual for the disabled.

Chaired by Mr Cheng Hon-kwan, the meeting noted that the Design Manual: Access for the Disabled 1984 had been reviewed with a view to improving building access and facilities for the public, including people with a disability.

The new design manual would generally apply to newly constructed and substantially renovated private buildings. The Government and Housing Authority would also make reference to the design manual in the design of buildings.

The design manual contains obligatory requirements and recommended requirements to take care of distinct characteristics of individual buildings and building sites. All obligatory requirements should be complied with, unless the owner is able to show that any of these requirements would, individually or jointly, impose unjustified hardship to him. Recommended requirements are for the reference of owners and building professionals who intend to upgrade the standards of access and special facilities for the disabled.

To ensure the effective enforcement of the obligatory requirements, the Government would, where appropriate, put them into the relevant legislation. Non compliance would entail the disapproval of the building plan and/or rejection to issue an occupation permit by the Building Authority.

The draft manual will be issued for consultation. It is expected the manual will be finalised later this year.

LBAC members were also briefed on the progress of the Buildings Amendment (No 3) Bill and noted that discussion was being conducted between the Director of Buildings and the professions on the structure and content of the supervision plan for building works.

End

External trade statistics by country and commodity for March

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The Census and Statistics Department today (Monday) released detailed statistics on external trade with breakdown by country/territory and commodity for March 1996 as well as for the first quarter of 1996.

As were already released on April 26, the value of re-exports decreased by 5.3% over a year earlier to \$82.3 billion, the value of domestic exports by 19% to \$14.4 billion, and the value of imports by 0.7% to \$120.8 billion in March 1996.

A government spokesman said that, as indicated in the earlier release, a number of extraordinary factors were likely to have affected Hong Kong's export performance in the month of March. The cold weather in the United States, the expectation for import tariff cuts in China as from April, the tension across the Taiwan Strait in early March, and the late timing of the Chinese New Year could have combined to dampen exports in that month. As such, the dip in March was probably only temporary.

Changes in the value of Hong Kong's re-exports to 10 main destinations are shown in Table 1.

Comparing the first quarter of 1996 with the same period in 1995, increases were recorded in the value of re-exports to Japan (+32%), France (+13%), the United Kingdom (+12%), China (+11%), the Netherlands (+9.6%), Germany (+8.9%), Singapore (+7.8%) and South Korea (+3.2%).

However, the value of re-exports to the United States and Taiwan decreased by 2.9% and 0.8% respectively.

Taking all destinations together, the value of re-exports in the first quarter of 1996 was \$259.7 billion, 8.2% higher than that in the same period in 1995.

Table 2 shows changes in the value of re-exports of 10 principal commodity divisions.

Comparing the first quarter of 1996 with the same period in 1995, increases of various magnitudes were recorded in the value of re-exports of most principal commodity divisions. More notable increases were registered for office machines and automatic data processing machines (by \$4 billion or 35%); electrical machinery, apparatus and appliances, and electrical parts thereof (by \$3.2 billion or 13%); clothing (by \$2.1 billion or 11%); footwear (by \$1.5 billion or 11%); photographic apparatus, equipment and supplies, optical goods, watches and clocks (by \$1.4 billion or 13%); and miscellaneous manufactured articles consisting mainly of baby carriages, toys, games and sporting goods (by \$931 million or 3.5%).

Over the same period, a decrease in the value of re-exports was registered for telecommunications and sound recording and reproducing apparatus and equipment (by \$2.5 billion or 9%).

Changes in the value of domestic exports to ten main destinations are shown in Table 3.

Comparing the first quarter of 1996 with the same period in 1995, decreases were recorded in the value of domestic exports to Singapore (-11%), the United States (-9.7%), Japan (-8.6%), Germany (-6.5%), Canada (-4.3%), China (-3.8%) and the Netherlands (-3.6%).

However, the value of domestic exports to Taiwan, the United Kingdom and France increased by 10%, 4% and 0.7% respectively.

Taking all destinations together, the value of domestic exports in the first quarter of 1996, at \$47.6 billion, decreased by 6% over the same period in 1995.

Table 4 shows changes in the value of domestic exports of 10 principal commodity divisions.

Comparing the first quarter of 1996 with the same period in 1995, decreases in the value of domestic exports were registered for office machines and automatic data processing machines (by \$1.6 billion or 32%); clothing (by \$720 million or 5.1%); telecommunications and sound recording and reproducing apparatus and equipment (by \$593 million or 23%); miscellaneous manufactured articles consisting mainly of jewellery, goldsmiths' and silversmiths' wares (by \$457 million or 10%); and photographic apparatus, equipment and supplies, optical goods, watches and clocks (by \$291 million or 7.5%).

Over the same period, increases in the value of domestic exports were recorded for electrical machinery, apparatus and appliances, and electrical parts thereof (by \$1.3 billion or 19%); and machinery specialised for particular industries (by \$153 million or 25%).

Changes in the value of imports from 10 main suppliers are shown in Table 5.

Comparing the first quarter of 1996 with the same period in 1995, the value of imports from most main suppliers showed increases of various magnitudes : Malaysia (+32%), Italy (+26%), the United Kingdom (+19%), the United States (+15%), Singapore (+14%), Germany (+12%), China (+4.5%), South Korea (+3.2%) and Taiwan (+1.1%).

However, the value of imports from Japan decreased by 3.4%.

Taking all sources together, the value of imports in the first quarter of 1996, at \$347.1 billion, increased by 6.4% over the same period in 1995.

Table 6 shows changes in the value of imports of 10 principal commodity divisions.

Comparing the first quarter of 1996 with the same period in 1995, increases in the value of imports were registered for electrical machinery, apparatus and appliances, and electrical parts thereof (by \$6.3 billion or 16%); office machines and automatic data processing machines (by \$3.9 billion or 29%); clothing (by \$1.4 billion or 7%); general industrial machinery and equipment, and machine parts (by \$1.2 billion or 11%); footwear (by \$994 million or 7.9%); and miscellaneous manufactured articles consisting mainly of baby carriages, toys, games and sporting goods (by \$952 million or 4.6%).

Over the same period, a decrease in the value of imports was recorded for textiles (by \$2.2 billion or 7.2%).

All the trade statistics described here are measured at current prices and no account has been taken of changes in prices between the periods of comparison.

A separate analysis of the volume and price movements of external trade for March 1996 will be released in early June 1996.

Detailed trade statistics analysed by commodity and by country/ territory are published in trade statistics reports.

The March 1996 issue of the "Hong Kong External Trade" with detailed analyses on the performance of Hong Kong's external trade in March 1996 will be on sale at \$129 per copy around May 23.

The report can be purchased at either the Government Publications Centre, ground floor, Low Block, Queensway Government Offices, 66 Queensway, Hong Kong or the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

Enquiries regarding regular subscription to this report may be directed to the Publications (Sales) Office, 28th floor, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong (Tel 2598 8194) and enquiries on trade statistics to the Census and Statistics Department (Tel 2582 4915).

TABLE 1 : RE-EXPORTS TO TEN MAIN DESTINATIONS

DESTINATION	MAR 1996 (HKD Mn.)	MAR 96 OVER MAR 95 (% CHANGE)	JAN-MAR 1996 (HKD Mn.)	JAN-MAR 96 OVER JAN-MAR 95 (% CHANGE)
CHINA	33,528	+ 2.3	93,537	+ 10.6
UNITED STATES	13,150	- 18.0	45,925	- 2.9
JAPAN	6,291	+ 13.5	19,454	+ 32.4
GERMANY	2,809	- 15.0	10,883	+ 8.9
UNITED KINGDOM	1,842	- 16.2	7,015	+ 12.2
TAIWAN	1,993	- 11.6	6,206	- 0.8
SINGAPORE	2,042	+ 1.1	6,038	+ 7.8
SOUTH KOREA	1,663	+ 3.7	4,598	+ 3.2
FRANCE	1,062	- 16.6	4,083	+ 13.0
NETHERLANDS	1,115	- 11.1	4,079	+ 9.6

TABLE 2 : RE-EXPORTS OF TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	MAR 1996 (HKD Mn.)	MAR 96 OVER MAR 95 (% CHANGE)	JAN-MAR 1996 (HKD Mn.)	JAN-MAR 96 OVER JAN-MAR 95 (% CHANGE)
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	9,213	+ 5.6	27,826	+ 13.1
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS)	7,821	- 16.0	27,412	+ 3.5
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	8,091	- 16.0	25,324	- 9.0
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	4,909	- 22.6	21,514	+ 10.8
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	7,222	- 12.8	21,227	+ 0.8
FOOTWEAR	4,416	- 0.3	15,706	+ 10.6
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	5,705	+ 29.8	15,636	+ 34.7
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	3,828	- 0.1	12,108	+ 12.8
TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS	1,921	- 28.7	7,872	+ 3.9
GENERAL INDUSTRIAL MACHINERY AND EQUIPMENT, AND MACHINE PARTS	2,744	- 2.7	7,223	+ 5.4

TABLE 3 : DOMESTIC EXPORTS TO TEN MAIN DESTINATIONS

DESTINATION	MAR 1996 (HKD Mn.)	MAR 96 OVER MAR 95 (% CHANGE)	JAN-MAR 1996 (HKD Mn.)	JAN-MAR 96 OVER JAN-MAR 95 (% CHANGE)
CHINA	4,583	- 12.1	13,182	- 3.8
UNITED STATES	2,804	- 30.8	11,038	- 9.7
JAPAN	1,033	- 13.9	2,805	- 8.6
SINGAPORE	967	- 8.3	2,774	- 11.1
GERMANY	531	- 29.8	2,420	- 6.5
UNITED KINGDOM	596	- 17.9	2,319	+ 4.0
TAIWAN	583	- 7.5	1,809	+ 10.1
NETHERLANDS	316	- 13.2	1,116	- 3.6
CANADA	232	- 16.3	911	- 4.3
FRANCE	188	- 9.2	692	+ 0.7

TABLE 4 : DOMESTIC EXPORTS OF TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	MAR 1996 (HKD Mn.)	MAR 96 OVER MAR 95 (% CHANGE)	JAN-MAR 1996 (HKD Mn.)	JAN-MAR 96 OVER JAN-MAR 95 (% CHANGE)
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	2,876	- 33.5	13,412	- 5.1
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	2,733	+ 15.2	7,861	+ 18.9
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY JEWELLERY, GOLDSMITHS' AND SILVERSMITHS' WARES)	1,341	- 20.3	3,992	- 10.3
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	1,062	- 21.5	3,575	- 7.5
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	1,189	- 32.4	3,387	- 32.2
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	991	- 17.8	3,073	- 3.0
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	690	- 23.6	2,024	- 22.7
MANUFACTURES OF METALS	296	- 30.3	994	- 6.1
PLASTICS IN PRIMARY FORMS	353	- 14.4	899	- 17.6
MACHINERY SPECIALIZED FOR PARTICULAR INDUSTRIES	261	+ 25.9	768	+ 25.0

TABLE 5 : IMPORTS FROM TEN MAIN SUPPLIERS

SUPPLIER	MAR 1996 (HKD Mln.)	MAR 96 OVER MAR 95 (% CHANGE)	JAN-MAR 1996 (HKD Mn.)	JAN-MAR 96 OVER JAN-MAR 95 (% CHANGE)
CHINA	37,341	- 12.7	120,562	+ 4.5
JAPAN	18,818	- 3.6	49,579	- 3.4
TAIWAN	10,346	- 7.1	28,604	+ 1.1
UNITED STATES	9,853	+ 11.1	27,453	+ 14.6
SINGAPORE	7,529	+ 14.8	20,013	+ 13.5
SOUTH KOREA	6,831	+ 7.2	17,151	+ 3.2
GERMANY	2,969	+ 13.4	8,167	+ 11.8
MALAYSIA	2,969	+ 35.5	7,967	+ 31.7
UNITED KINGDOM	2,722	+ 18.9	7,708	+ 18.6
ITALY	2,730	+ 14.7	7,391	+ 26.4

TABLE 6 : IMPORTS OF TEN PRINCIPAL COMMODITY DIVISIONS

COMMODITY DIVISION	MAR 1996 (HKD Mn.)	MAR 96 OVER MAR 95 (% CHANGE)	JAN-MAR 1996 (HKD Mn.)	JAN-MAR 96 OVER JAN-MAR 95 (% CHANGE)
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	16,574	+ 17.8	45,741	+ 15.9
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	11,350	- 1.8	33,400	+ 0.2
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	10,361	- 14.7	28,165	- 7.2
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	6,030	- 19.9	21,690	+ 7.0
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS)	7,258	- 6.9	21,517	+ 4.6
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	6,237	+ 23.9	17,514	+ 29.0
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	5,092	- 3.9	14,716	+ 1.6
FOOTWEAR	4,147	- 3.1	13,527	+ 7.9
GENERAL INDUSTRIAL MACHINERY AND EQUIPMENT, AND MACHINE PARTS	4,495	+ 0.4	11,577	+ 11.5
NON-METALLIC MINERAL MANUFACTURES	3,822	- 12.5	10,540	- 1.0

End

Monitors' Report submitted to Chief Secretary

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The monitors appointed to observe the transfer of Vietnamese migrants from Section 3 of the Whitehead Detention Centre to the High Island Detention Centre last Friday and Saturday (May 10 and 11) have submitted their report to the Chief Secretary today (Monday).

The five monitors comprised two non-official Justices of the Peace, Mr Graham Cheng Cheng-hsun and Dr Philip Lai Kong-hou; and representatives from three non-government organisations - Mr Edward Chan from Oxfam, Ms Nadine de Lamotte from Medecins Sans Frontieres and Ms Harriet Sewell from Christian Action.

End

Yan Oi Tong directors visit SWD

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The new Board of Directors of Yan Oi Tong today (Monday) paid a courtesy call on the Director of Social Welfare, Mr Ian Strachan, and exchanged with him views on various social welfare issues.

The new chairman of the board, Mr Ho Kwan-yiu, outlined Yan Oi Tong's existing services and future plans on elderly, youth, rehabilitation and child welfare.

He also thanked the Social Welfare Department for offering the board members advice and support in the past years.

Mr Strachan told the visitors that his department would continue to work closely with Yan Oi Tong in providing welfare services to the needy.

End

Water storage figure

Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 83.5 per cent of capacity or 489.473 million cubic metres.

This time last year the reservoirs contained 379.788 million cubic metres of water, representing 64.8 per cent of capacity.

End

Hong Kong Monetary Authority tender results

Tender date	13 May 1996
Paper on offer	EF notes
Issue number	2805
Issue date	14 May 1996
Maturity date	14 May 1998
Coupon	6.30 PCT
Amount applied	HK\$4,140 MN
Amount allotted	HK\$500 MN
Average price accepted (yield)	100.41 (6.17 PCT)
Lowest price accepted (yield)	100.41 (6.17 PCT)
Pro rata ratio	About 74 PCT
Average tender price (yield)	100.39 (6.18 PCT)

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	1,634	0930	+467
Closing balance in the account	2,302	1000	+362
Change attributable to :		1100	+362
Money market activity	+368	1200	+368
LAF today	+300	1500	+368
		1600	+368

LAF rate 4.00% bid/6.00% offer TWI 123.7 *+0.0* 13.5.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.76	2 years	2802	5.16	98.65	6.07
1 month	4.91	3 years	3904	6.30	99.48	6.60
3 months	5.11	5 years	5103	6.75	98.46	7.26
6 months	5.21	7 years	7302	6.02	91.95	7.70
12 months	5.53	5 years	M502	7.30	99.85	7.47

Total turnover of EF bills and notes - \$12,835 million

Closed May 13, 1996

End