



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL: 5-233191

SATURDAY, AUGUST 2, 1980

<u>CONTENTS</u>	<u>PAGE NO.</u>
JUNE MONEY SUPPLY AND FINANCIAL STATISTICS	1
NEW RAIL TUNNEL FOR TAI PO KAU	5
PRISON RECRUITS COMPLETE TRAINING	6
SEABED TO BE RECLAIMED	6
OUTDOOR DISCO TO BE HELD IN YUEN LONG	7
TALKS ON THE TEACHING OF ENGLISH	7
TURNING PROHIBITION IN NATHAN ROAD	8
FIRING PRACTICE	8

SATURDAY, AUGUST 2, 1980

- 1 -

JUNE MONEY SUPPLY AND FINANCIAL STATISTICS

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THE MONEY SUPPLY AND FINANCIAL STATISTICS FOR JUNE 1980 ARE PUBLISHED TODAY (SATURDAY). THE RELATIVELY LARGE INCREASES IN THE MONEY SUPPLY AND IN TOTAL CREDIT TO THE ECONOMY ARE PRESUMABLY PARTIALLY ACCOUNTED FOR BY THE EXTREMELY ACTIVE STOCK MARKET IN THE LAST 10 DAYS OF JUNE. ANOTHER FACTOR IN THE MONEY SUPPLY EXPANSION WAS THE HALF-YEARLY CREDITING OF INTEREST ON SAVINGS DEPOSITS; THIS WAS QUITE SUBSTANTIAL, WITH HIGH RATES OF INTEREST BEING PAID ON SAVINGS DEPOSITS FOR MUCH OF THE FIRST SIX MONTHS OF THE YEAR.

THERE WAS A FURTHER LARGE INFLOW OF FUNDS INTO HONG KONG DURING JUNE, POSSIBLY FOR STOCK MARKET INVESTMENT, WHICH ALSO CONTRIBUTED TO THE RISE IN THE MONEY SUPPLY.

THE DETAILED FIGURES FOR JUNE 1980, AND COMPARISONS WITH PREVIOUS MONTHS, ARE SET OUT IN TABLE 1. TABLE 2 SETS OUT SOME FIGURES FROM THE QUARTERLY ANALYSIS OF LOANS AND ADVANCES IN HONG KONG BY SECTOR.

MONEY SUPPLY

THE MONEY SUPPLY ON THE NARROWEST DEFINITION, M1 (NOTES AND COINS WITH THE PUBLIC, PLUS DEMAND DEPOSITS, OTHER THAN FROM BANKS AND DEPOSIT-TAKING COMPANIES, WITH LICENSED BANKS) ROSE BY 8.6 PER CENT IN JUNE, AFTER RISING BY 4.5 PER CENT IN MAY. DEMAND DEPOSITS ROSE SHARPLY IN THE LAST 10 DAYS OF JUNE, PRESUMABLY AT LEAST PARTIALLY REFLECTING THE HIGH LEVEL OF STOCK MARKET ACTIVITY IN THAT PERIOD.

M2 (M1 PLUS SAVINGS AND TIME DEPOSITS, OTHER THAN FROM BANKS AND DTC'S, WITH LICENSED BANKS) ROSE BY 9.3 PER CENT IN JUNE, WELL UP FROM A 5.1 PER CENT INCREASE IN MAY. AN EXPANSION IN THE LEVEL OF SAVINGS DEPOSITS, AGAIN MAINLY IN THE LAST 10 DAYS OF JUNE, IS ALSO LIKELY TO REFLECT STOCK MARKET ACTIVITY, AS WELL AS THE CREDITING OF HALF-YEARLY INTEREST TO DEPOSITORS.

M3 (M2 PLUS PUBLIC DEPOSITS WITH DEPOSIT-TAKING COMPANIES) ROSE BY 6.5 PER CENT IN JUNE, UP FROM AN INCREASE OF 3.6 PER CENT IN MAY, DESPITE A FURTHER SLIGHT FALL IN DEPOSITS WITH DEPOSIT-TAKING COMPANIES. IN THE SECOND QUARTER, M3 ROSE BY 11.7 PER CENT.

CREDIT TO THE ECONOMY

TOTAL LOANS IN HONG KONG ROSE BY 5.4 PER CENT IN JUNE, FROM A 2.2 PER CENT RISE IN MAY, PARTLY REFLECTING BORROWINGS TO FINANCE STOCK MARKET INVESTMENT DURING THE MONTH. IN THE SECOND QUARTER OF THE YEAR, TOTAL LOANS IN HONG KONG ROSE BY 11.9 PER CENT, AGAINST A 13.9 PER CENT RISE IN THE FIRST QUARTER.

/BANK LOANS

BANK LOANS IN HONG KONG INCREASED BY 5.2 PER CENT IN JUNE, FOLLOWING A FALL OF 2.9 PER CENT IN MAY. LOANS IN HONG KONG BY DEPOSIT-TAKING COMPANIES ROSE BY 6.1 PER CENT, MUCH LESS THAN THE RISE OF 23.4 PER CENT IN MAY.

FOREIGN ASSETS

THE NET IDENTIFIABLE FOREIGN ASSETS OF ALL BANKS ROSE IN JUNE BY \$663 MILLION AND OF DTC'S BY \$463 MILLION, INDICATING AN INFLOW OF FUNDS INTO THE HONG KONG MONETARY SECTOR OF \$1 126 MILLION (BANKS AND DTC'S MADE NET PURCHASES OF FOREIGN ASSETS FROM NON-BANK CUSTOMERS OF \$1 126 MILLION), WHICH WAS SLIGHTLY LESS THAN THE INFLOW OF \$1 398 MILLION IN THE PREVIOUS MONTH. THE NET INFLOW OF FUNDS INTO HONG KONG IN THE SECOND QUARTER OF 1980 AMOUNTED TO \$146 MILLION (THERE HAVING BEEN A LARGE OUTFLOW IN APRIL), AS COMPARED WITH A NET INFLOW OF \$211 MILLION IN THE PREVIOUS QUARTER.

BALANCE SHEET RATIOS

THE AVERAGE LIQUIDITY RATIO FOR ALL BANKS IN HONG KONG ROSE IN JUNE TO 49.4 PER CENT FROM 48.7 PER CENT IN MAY. THE LOAN/DEPOSIT RATIO, HOWEVER, FELL FURTHER TO 91.1 PER CENT AT THE END OF JUNE, FROM 95.3 PER CENT AT THE END OF MAY, REFLECTING THE RISE IN DEPOSITS WITH LICENSED BANKS IN THE MONTH.

THE AVERAGE LIQUIDITY RATIO FOR ALL DTC'S ROSE IN JUNE TO 44.2 PER CENT FROM 43.4 PER CENT IN MAY. THE LOAN/DEPOSIT RATIO AT THE END OF JUNE ROSE TO 75.1 PER CENT FROM 70.1 PER CENT IN MAY, REFLECTING THE REDUCTION IN DEPOSITS WITH DTC'S IN JUNE

QUARTERLY ANALYSIS OF LENDING IN HONG KONG BY SECTOR

IN THE SECOND QUARTER OF 1980, LOANS TO THE MANUFACTURING SECTOR ROSE BY 9.2 PER CENT, FOLLOWING A 16.5 PER CENT RISE IN THE PREVIOUS QUARTER, WHILE LOANS TO THE BUILDING AND CONSTRUCTION SECTOR INCREASED BY 3.7 PER CENT, WELL DOWN FROM A 17.9 PER CENT RISE IN THE FIRST QUARTER. LOANS TO THE TRANSPORT AND TRANSPORT EQUIPMENT SECTOR GREW BY 32.3 PER CENT IN THE SECOND QUARTER.

BORROWING BY INDIVIDUALS TO PURCHASE RESIDENTIAL PROPERTY FELL BY 1.9 PER CENT IN THE SECOND QUARTER, FOLLOWING AN INCREASE OF 7.9 PER CENT IN THE PREVIOUS QUARTER. BORROWING BY INDIVIDUALS FOR OTHER PURPOSES (INCLUDING STOCK MARKET INVESTMENT) ROSE BY 16.6 PER CENT IN THE SECOND QUARTER, DOWN FROM A 36.2 PER CENT RISE IN THE PREVIOUS QUARTER.

NUMBER OF REPORTING INSTITUTIONS

THE NUMBER OF REPORTING BANKS REMAINED UNCHANGED IN JUNE AT 113. THE NUMBER OF REPORTING DEPOSIT-TAKING COMPANIES ROSE BY FOUR DURING THE MONTH TO 283.

THE FOLLOWING TABLES SHOW THE MONEY AND BANKING FIGURES FOR END OF JUNE 1980 AND QUARTERLY ANALYSIS OF LOANS AND ADVANCES IN HONG KONG :

TABLE 1

MONEY AND BANKING FIGURES - END OF JUNE 1980 (IN \$MILLION)

	JUNE 1980	FIGURES FOR EARLIER MONTHS (% CHANGE):		
		MAY 1980	MARCH 1980	JUNE 1979
M1	22 753	20 950 (+8.6%)	20 310 (+12.0%)	18 526 (+22.8%)*
M2	88 486	80 921 (+9.3%)	76 109 (+16.3%)	67 387 (+31.3%)*
M3	119 120	111 882 (+6.5%)	106 657 (+11.7%)	85 242 (+39.7%)
<u>BANKS -</u>				
DEPOSITS	80 781	73 367 (+10.1%)	68 393 (+18.1%)	60 637 (+33.2%)*
LOANS AND ADVANCES IN HONG KONG	73 561	69 916 (+5.2%)	69 560 (+5.8%)	53 284 (+38.1%)*
LOAN/DEPOSIT RATIO	91.1%	95.3%	101.7%	87.9%
AVERAGE LIQUIDITY RATIO	49.4%	48.7%	52.6%	48.8%

/DEPOSIT-TAKING

- 4 -

DEPOSIT-TAKING COMPANIES -

DEPOSITS	30 634	30 961 (-1.1%)	30 548 (+0.3%)	17 855 (+71.6%)
LOANS AND ADVANCES IN HONG KONG	23 021	21 691 (+6.1%)	16 742 (+37.5%)	10 831 (+112.5%)
LOAN/DEPOSIT RATIO	75.1%	70.1%	54.8%	60.7%
AVERAGE LIQUIDITY RATIO ₹	44.2%	43.4%	44.6%	₹

BANKS AND DEPOSIT-TAKING COMPANIES:

TOTAL CREDIT TO THE ECONOMY	96 582	91 607 (+5.4%)	86 302 (+11.9%)	64 115 (+50.6%)
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* THESE FIGURES ARE RECALCULATED TO EXCLUDE BANKS' LIABILITIES TO, AND CLAIMS ON, DEPOSIT-TAKING COMPANIES.

₹ THE STATUTORY REQUIREMENT FOR DEPOSIT-TAKING COMPANIES TO OBSERVE A MINIMUM LIQUID ASSETS RATIO CAME INTO FORCE ON JANUARY 1, 1980.

TABLE 2

QUARTERLY ANALYSIS OF LOANS AND ADVANCES IN HONG KONG
(IN \$MILLION)

CATEGORY OF BORROWER	LOANS AND ADVANCES BY BANKS		LOANS AND ADVANCES BY DEPOSIT-TAKING COMPANIES	
	JUNE 1980	MARCH 1980	JUNE 1980	MARCH 1980
MANUFACTURING OF WHICH:	10 587 (+6.4%)	9 954	1 460 (+34.9%)	1 082
TEXTILES	2 628 (+10.9%)	2 370	245 (+12.9%)	217
TRANSPORT AND TRANSPORT EQUIPMENT	8 510 (+50.8%)	5 645	3 226 (+10.5%)	2 919

/BUILDING AND

- 5 -

BUILDING AND CONSTRUCTION	8 725 (-0.7%)	8 779	3 355 (+16.7%)	2 875
GENERAL COMMERCE	23 157 (+9.3%)	21 187	3 213 (+17.1%)	2 743
FINANCIAL CONCERNS*	3 285 (+15.5%)	2 843	1 165 (+34.7%)	865
INDIVIDUALS: TO PURCHASE RESIDENTIAL PROPERTY	5 531 (-28.4%)	7 729	3 630 (+126.2%)	1 605
OTHER PURPOSES	6 404 (+3.6%)	6 183	3 923 (+46.9%)	2 671
OTHERS	7 362 (+1.7%)	7 240	3 049 (+53.8%)	1 982
TOTAL*	73 561 (+5.8%)	69 560	23 021 (+37.5%)	16 742

* THIS EXCLUDES FUNDS ADVANCED BY BANKS TO
DEPOSIT-TAKING COMPANIES.

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NEW RAIL TUNNEL FOR TAI PO KAU * * * *

A NEW SINGLE-TRACK RAILWAY TUNNEL WILL SOON BE BUILT TO THE WEST OF THE TUNNEL NEAR THE TAI PO KAU STATION.

TENDERS FOR THE WORK WERE INVITED BY THE RAILWAY DIVISION OF THE PUBLIC WORKS DEPARTMENT.

A SPOKESMAN FOR THE PWD SAID THE WORK FORMED PART OF THE KOWLOON-CANTON RAILWAY MODERNISATION AND ELECTRIFICATION PROGRAMME.

+THE NEW TUNNEL WILL BE ABOUT 330 METRES LONG AND OF CIRCULAR SHAPE WITH AN INTERNAL DIAMETER OF ABOUT 6.7 METRES,+ HE SAID.

+ON COMPLETION, THE NEW TUNNEL, WITH THE EXISTING ONE, WILL ENABLE DOUBLE TRACKING OF THE KOWLOON-CANTON RAILWAY.+

ALSO INCLUDED IN THE CONTRACT WILL BE THE CONSTRUCTION OF 300 METRES LONG EMBANKMENT.

WORK ON THE PROJECT WILL START IN OCTOBER AND BE COMPLETED IN JUNE 1982.

THE PROJECT HAS BEEN DESIGNED AND CONSTRUCTION WILL BE SUPERVISED BY THE RAILWAY DIVISION OF THE PWD'S CIVIL ENGINEERING OFFICE, ON BEHALF OF KOWLOON-CANTON RAILWAY.

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SATURDAY, AUGUST 2, 1980

- 6 -

PRISON RECRUITS COMPLETE TRAINING

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NINETY-THREE PRISON RECRUITS INCLUDING NINE OFFICERS AND 84 ASSISTANT OFFICERS WHO RECENTLY SUCCESSFULLY COMPLETED A ONE-YEAR ORIENTATION TRAINING COURSE WERE TODAY (SATURDAY) AWARDED WITH CERTIFICATES BY THE SUPERINTENDENT OF PRISONS, MISS CATHERINE SUN.

THE COURSE, CONDUCTED BY THE PRISONS DEPARTMENT'S TRAINING INSTITUTE, INCLUDED SEVEN MONTHS' FIELD TRAINING IN VARIOUS PENAL INSTITUTIONS.

A SPOKESMAN FOR THE DEPARTMENT SAID THE WORK OF THE MODERN PRISON SERVICE IS WIDE AND VARIED, AND HE URGED YOUNG PEOPLE TO TAKE UP THE WORTHWHILE CAREER WITH THE DEPARTMENT.

ANYONE INTERESTED MAY CONTACT THE DEPARTMENT'S RECRUITMENT OFFICE ON 5-938455 FOR AN APPOINTMENT, OR ANY OF THE CITY DISTRICT OFFICES FOR INFORMATION, HE ADDED.

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SEABED TO BE RECLAIMED

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THE GOVERNMENT INTENDS TO RECLAIM ABOUT HALF A HECTARE OF FORESHORES AND SEABED AT SHA TAU KOK FOR THE CONSTRUCTION OF A CAUSEWAY.

THE CAUSEWAY WILL CARRY A ROAD, ROCK-ARMoured ON BOTH SIDES.

THE EXTENT OF THE AREA OF SEABED INVOLVED WAS DESCRIBED IN YESTERDAY'S GOVERNMENT GAZETTE.

OBJECTIONS TO THE PROPOSAL OR CLAIMS OF PRIVATE RIGHT SHOULD BE SUBMITTED IN WRITING TO THE DIRECTOR OF PUBLIC WORKS WITHIN TWO MONTHS.

THE NOTICE, IN CHINESE AND ENGLISH WITH A RELATED PLAN CAN BE SEEN ON BOARDS POSTED NEAR THE SITE.

THE PLAN, SHOWING THE AREA OF FORESHORE AND SEABED INVOLVED, MAY ALSO BE INSPECTED AT THE PORT WORKS DIVISION, FIRST FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG, AT THE CROWN LANDS AND SURVEY OFFICE, 19TH FLOOR, MURRAY BUILDING, OR AT THE DISTRICT OFFICE NORTH, OLD DISTRICT OFFICE BUILDING, TAI PO MARKET, NEW TERRITORIES.

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/7

SATURDAY, AUGUST 2, 1980

- 7 -

OUTDOOR DISCO TO BE HELD IN YUEN LONG

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AN OUTDOOR DISCO IS TO BE HELD IN YUEN LONG NEXT WEEK AS PART OF THE DISTRICT'S PROGRAMME OF SUMMER YOUTH ACTIVITIES.

THE DISCO WILL BE ON AUGUST 9 AT THE BASKETBALL GROUND NEXT TO THE TOWN HALL AND 500 YOUNG PEOPLE LIVING AND WORKING IN YUEN LONG WILL BE ABLE TO ATTEND.

BESIDES DANCING, THERE WILL BE FOLK AND POPULAR SONG PERFORMANCES.

TICKETS, AT \$5 EACH, ARE AVAILABLE FROM THE TOWN HALL ON A FIRST-COME-FIRST-SERVED BASIS.

THIS YEAR'S YUEN LONG DISTRICT SUMMER YOUTH PROGRAMME, LAUNCHED FOUR WEEKS AGO, INCLUDES MORE THAN 150 SPORTS AND RECREATIONAL ACTIVITIES.

THE ACTIVITIES WILL TAKE PLACE IN SCHOOLS, YOUTH CENTRES, PLAYGROUNDS AND VILLAGE OPEN AREAS IN THE DISTRICT UNTIL EARLY SEPTEMBER.

FUNDS FOR THE PROGRAMME ARE PROVIDED BY THE GOVERNMENT, THE ROYAL HONG KONG JOCKEY CLUB AND FROM LOCAL DONATIONS.

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TALKS ON THE TEACHING OF ENGLISH

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THE ENGLISH LANGUAGE TEACHING CENTRE OF THE EDUCATION DEPARTMENT IS ORGANISING A SECOND SERIES OF TALKS BY GUEST SPEAKERS ON THE TEACHING OF ENGLISH AS A SECOND/FOREIGN LANGUAGE.

THE FIFTH TALK IN THE SECOND SERIES WILL BE AT THE ENGLISH LANGUAGE TEACHING CENTRE ON AUGUST 16 (SATURDAY).

WITH THE TOPIC ON 'READING WITH UNDERSTANDING IN A SECOND LANGUAGE', THE TALK WILL EMPHASIZE THE AUDIO-VISUAL APPROACH TO DEVELOP COMPREHENSION AND FLUENCY IN READING.

THE TWO GUEST SPEAKERS ARE MISS KAY M. WHILEY, PRIMARY SCHOOL ADVISER, DEPARTMENT OF EDUCATION, LEEDS, UK, AND MISS GWEN BRAY, PREVIOUSLY SENIOR ADVISER, DEPARTMENT OF EDUCATION, LEEDS, CHAIRMAN OF THE INTERNATIONAL READING ASSOCIATION.

REPLY SLIPS SHOULD BE SENT TO THE SENIOR INSPECTOR, ENGLISH LANGUAGE TEACHING CENTRE, 9A BONHAM ROAD, HONG KONG, AS SOON AS POSSIBLE (ENQUIRY: 5-482537).

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/8

SATURDAY, AUGUST 2, 1980

- 8 -

TURNING PROHIBITION IN NATHAN ROAD
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ALL MOTOR VEHICLES TRAVELLING SOUTHBOUND ALONG NATHAN ROAD WILL BE PROHIBITED FROM TURNING LEFT INTO WATERLOO ROAD EASTBOUND OR TURNING RIGHT INTO WATERLOO ROAD WESTBOUND FROM 10 AM ON TUESDAY (AUGUST 5).

TRAFFIC SIGNS WILL BE ERECTED TO GUIDE MOTORISTS.

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FIRING PRACTICE
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FIRING PRACTICE WILL TAKE PLACE IN THE HA TSUEN-CASTLE PEAK RANGE FROM TUESDAY TO FRIDAY NEXT WEEK.

MEMBERS OF THE PUBLIC ARE WARNED NOT TO ENTER THE AREA WHEN RED FLAGS ARE FLYING DURING PRACTICE TIMES.

THE PRACTICE TIMES ARE:

<u>DATE</u>	<u>TIME</u>
TUESDAY, AUGUST 5	8 AM -- 5 PM
WEDNESDAY, AUGUST 6	8 AM -- 11 PM
THURSDAY, AUGUST 7	8 AM -- 11 PM
FRIDAY, AUGUST 8	8 AM -- 5 PM

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