



DAILY INFORMATION BULLETIN

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Transcript of CS's media session

Following is the transcript of the remarks (English) made to the media by the Chief Secretary, Mrs Anson Chan, after attending the International Women's Forum 1996 Global Conference this (Friday) afternoon:

CS: I was expressing great shock at the incident involving Mr Leung. I know that the entire journalist profession and newspaper profession are equally concerned about this. Of course, the Administration is clearly concerned that this sort of violence should take place in a civilised society; we condemn this sort of behaviour. The Commissioner of Police has already set up a special task force and it will be his top priority to apprehend those involved as soon as possible. In the meantime, I do wish to extend to Mr Leung and to his family our deepest sympathy and our best wishes for a speedy recovery. Mr Leung had undergone a very very long operation yesterday, but as far as we know he is resting and we hope that the operation will be a success. In the meantime, if Mr Leung and his family require any help in the way of assistance, in the way of help for the family, we will of course be very happy to consider it.

End

Legislative proposals to improve workers' benefits

The Government today (Friday) proposed a package of improvements consisting of 15 items to enhance employees rights and benefits under the Employment Ordinance.

Two bills to amend the Employment Ordinance to this effect in respect of maternity protection, long service payment, definition of wages, wage protection, and end-of-year payment were gazetted today (Friday). They will be introduced into the Legislative Council on May 29.

The bills have been drawn up to give effect to the results of several reviews the Government has recently completed of the statutory employees' rights and benefits concerned under the Employment Ordinance.

Introducing the bills at a press conference this afternoon, the Deputy Secretary for Education and Manpower, Mr Matthew Cheung Kin-chung, said it was the Government's policy to improve employees' benefits in a way commensurate with the pace of Hong Kong's social and economic development.

"To this end, the Government conducts regular reviews of the various provisions on employees' benefits under the existing labour laws and introduces improvements, as and when appropriate," he said.

The reviews were conducted in the light of Hong Kong's socio-economic changes, views expressed by trade unions and employer groups, as well as international labour standards and practices in our neighbouring countries.

"The proposals under the two bills, which have been endorsed by the Labour Advisory Board, strike a reasonable balance between the interests of employers and employees," Mr Cheung said.

The Employment (Amendment) Bill 1996 proposes a series of improvements to the maternity protection provisions, including:

- * removing the qualifying service requirement for unpaid maternity leave;
- * removing the limitation on the number of surviving children for maternity leave pay;
- * simplifying the provisions regarding the duration of maternity leave;
- * providing flexibility in the allocation of the 10 weeks' maternity leave between the ante-natal and post-natal periods;
- * removing the 12 weeks' qualifying service for employment protection;
- * increasing the penal damages for wrongful dismissal of a pregnant employee;
- * simplifying the requirements of maternity leave notice; and
- * prohibiting the assignment of hazardous work to a pregnant employee.

The Employment (Amendment) (No 2) Bill 1996 seeks to:

- * remove the percentage reduction of Long Service Payment for employees under 45 years of age and with less than 10 years' service;
- * revise the definition of wages to include commission, attendance bonus, attendance allowance, travelling allowance and overtime pay;
- * require an employer to pay interest on outstanding wages due to employees;

- * entitle an employee to deem non-payment of wages for over one month as termination of employment; and
- * improve the provisions on end-of-year payment.

Explaining the details of the two bills in the same press conference, Deputy Commissioner for Labour, Mr Alfred Chan Wing-kit, said the improvements to the existing provisions on maternity protection were proposed having regard to the International Labour Convention (ILC) No 3 concerning the employment of women before and after child birth, the United Nations Convention on the Elimination of All Forms of Discrimination Against Women as well as the practices in other neighbouring countries.

"Under the bill, any pregnant employee who is under a continuous contract of employment (defined as four consecutive weeks of service comprising 18 hours of work per week under the Employment Ordinance), rather than having to complete 26 weeks of continuous employment under the existing requirement, will be entitled to 10 weeks' unpaid maternity leave.

"The present qualifying condition of having no more than two surviving children is also considered less and less tenable in view of the trend of reducing family size. We therefore propose to remove this restriction," Mr Chan said.

Mr Chan said to avoid confusion over the duration of maternity leave, the Government proposed that the 10-week maternity leave should count from the date of commencement of leave, with the possible extension of a period equivalent to the number of days of delay in confinement and another period of four weeks on medical grounds.

In case the actual confinement takes place before the leave commences, the 10-week maternity leave should count from the actual date of confinement.

To protect workers against dismissal on the ground of pregnancy, the Government proposes to remove the qualifying service requirement, so that any pregnant employee who has a continuous contract of employment under the Employment Ordinance will be entitled to such protection.

As for the penal damages for wrongful dismissal of a pregnant employee, the Government proposes to increase the amount of penal damages from an amount equivalent to seven days' wages to one month's wages, in addition to the 10 weeks' maternity leave pay (if the employee will otherwise be entitled to it).

This will impose a greater deterrent effect on employers and increase the compensation for the psychological and financial sufferings of the aggrieved employees.

The Government also proposes to legislate against the assignment of hazardous work to a pregnant employee upon her production of a medical certificate on her unfitness to undertake such work.

Any employer who fails to accede to the employee's request without reasonable excuse is liable to a maximum fine of \$50,000.

Any change in the employee's earnings as a result of her transfer from hazardous work should not affect the basis for the calculation of maternity leave pay and penal damages if she is wrongfully dismissed.

With the proposed amendments, employees will no longer be required to specify the expected dates of confinement and commencement of leave when they give maternity leave notice to their employers.

This will address to the practical difficulties in providing such dates on the part of a pregnant employee.

Outlining the Government's proposal to improve the long service payment scheme, Mr Cheung said the scheme was introduced in 1986 to provide financial protection for elderly and long-serving employees who were dismissed through no fault of their own.

"Although all employees with a minimum of five years' continuous service will be entitled to long service payment (LSP), the amount payable to employees who have less than 10 years' service will be reduced according to their age in relation to their length of service.

"This prescribed scheme of percentage reduction in the amount of LSP was drawn up on the ground that younger employees would, upon dismissal, encounter less difficulty in obtaining alternative employment.

"This has, however, been perceived as a form of discrimination against younger employees.

"We propose to remove this provision by two phases. First, the percentage reduction for those younger employees who have seven years' service or more will be removed with immediate effect. A year later, those with less than seven years service will have the reduction removed.

"With this progressive improvement, the additional cost implications on employers can be staggered over a period of one year," Mr Cheung said.

On wage protection, the Government proposes to require an employer to pay interest on wages owed to an employee if the wages are not paid within seven days of the due date.

The rate of interest adopted should be the same as that fixed by the Chief Justice under the District Court Ordinance now being followed by the Labour Tribunal and the Minor Employment Claims Adjudication Board.

To strengthen protection for employees against non-payment of wages, the Government also proposes to entitle an employee who has been owed wages for over one month to deem his employment contract to have been terminated by his employer without notice.

The employee will then be entitled to all termination payments arising from this scenario under the Employment Ordinance.

Coming to proposals on the definition of wages, Mr Chan explained that although the existing definition of wages was fairly all-embracing, the issue of whether or not certain payments (like commission and overtime pay) were wages had cropped up in the context of labour disputes from time to time.

The Government therefore proposes to amend the definition of wages as follows:

- * to include commission, attendance bonus, attendance allowance, travelling allowances and overtime pay, subject to some specified exclusions, such as payments or reimbursements which are of a non-contractual and gratuitous nature, or payable at the discretion of the employer; and
- * to include regular overtime pay in the calculation of wages for the purpose of calculating accrued employment benefits and, in the case of irregular overtime pay, to include the average overtime pay in the last 12 months, which amounts to 20 per cent or more of the employee's average wages.

"This will help prevent unscrupulous employers from reducing their liabilities for severance payment and long service payment by designating a substantial portion of wages as overtime pay, travelling allowance and attendance bonus," said Mr Chan.

He emphasised that the proposed amendments would not create a new liability on employers to pay commission, attendance bonus, attendance allowances, travelling allowance and overtime pay.

Rather, they seek to clarify the nature of these payments when they are already provided under the contract of employment to the effect that they should be reckoned as part of an employee's wages when calculating the amounts of statutory entitlements under the Employment Ordinance.

Those statutory entitlements which are calculated on the basis of an employee's wages include wages in lieu of notice to terminate employment, severance payment, long service payment, maternity leave pay and sickness allowance (plus penal damages for wrongful termination), holiday pay, annual leave pay and end-of-year payment.

Mr Chan pointed out that while end-of-year payment (EYP) was a widespread practice in many trades in Hong Kong, disputes often arose as to whether an annual payment was of a contractual or gratuitous nature and whether the employer had any statutory obligation to pay pro-rata EYP when dismissing an employee.

To remove doubts and to further improve protection for employees, the Government proposes to make the following amendments to the EYP provisions:

- * to provide that any contractual annual payment shall be governed by the existing provisions on EYP, except when the employer has stipulated in writing that such payment is gratuitous and payable at his discretion; and
- * to reduce the qualifying service for pro-rata EYP from 26 weeks to three months, not including the first three months of any probation period, in the payment period.

End

Businessmen play leading role in economic transformation: FS

* * * * *

The Financial Secretary, Mr Donald Tsang, said today (Friday) that the economic transformation of Hong Kong was started and was being led by the private sector without any formal government intervention.

Speaking at a business luncheon organised by the Hong Kong Trade Development Council in Singapore, Mr Tsang said this principal of minimal intervention by government in the business sector had been the linchpin of Hong Kong's economic success.

"Some of our leading businessmen today were responsible for spearheading the development of the manufacturing base in Hong Kong in the 1950s.

"Many of those who helped develop Hong Kong's economy some 30 years ago have not been idle. Instead, they have continued to take a leading role in the transformation process.

"Hong Kong businessmen can take much pride in the role they have played in transforming Hong Kong from a barren rock.

"Without their entrepreneurial skills and flair, their 'can-do' attitude, their foresight and above all their long-term confidence in Hong Kong, which they have continuously displayed over the past 50 years, Hong Kong would not be the success it is today," Mr Tsang said.

"As a community, Hong Kong looks to them for leadership," he added.

He noted that the transformation had not ushered in the demise of Hong Kong's manufacturing industries, although a structural change in the sector had taken place at a fast pace.

"A strong manufacturing base has been and will remain a key feature of Hong Kong's economic activities," he said.

"The human resources released from the labour intensive manufacturing operations have fuelled naturally Hong Kong's trade-related services to reach an ever rising plateau of prosperity and maturity."

Mr Tsang said there was much potential for an effective partnership between the professionals in Singapore and Hong Kong to be forged.

"There are many areas in which we have seen close ties between Singapore and Hong Kong," he said.

"Bilateral trade between Singapore and Hong Kong grown rapidly over the years and in 1995 was worth S\$21.25 billion, representing an increase of an impressive 23 per cent over 1994."

Singapore is Hong Kong's sixth largest export market and fifth largest source of imports.

Mr Tsang said Singapore companies had made their presence felt across a wide spectrum of commercial activities in Hong Kong.

"Singapore is Hong Kong's seventh largest external investor in the manufacturing sector, with total investment estimated at about S\$190 million by end of 1994," he said.

He added that the close relationship between Singapore and Hong Kong was the reason why the Hong Kong Government had chosen to establish in Singapore the Hong Kong Economic and Trade Office (HKETO) for the ASEAN region.

Mr Tsang is continuing the second leg of his Southeast Asian trip to Singapore.

He met with the Prime Minister Mr Goh Chok Tong in the afternoon to discuss matters of mutual interest. He also visited the Economic Development Board of Singapore and had a useful exchange with its Chairman, Mr Philip Yeo.

The Financial Secretary will officiate at the opening ceremony of HKETO and Hong Kong Tourist Association office in Suntec City, Singapore, later this evening.

Minister of State for Trade and Industry of Singapore, Mr Goh Chee Wee, will be the guest of honour of the grand opening reception of the Singapore office.

End

Bill to amend hotel and guesthouse laws gazetted

* * * * *

A bill to amend three ordinances concerning hotels and guesthouses to address their deficiencies was gazetted today (Friday).

A spokesman for the Home Affairs Branch said today (Friday) that the Hotel Accommodation (Miscellaneous Provisions) Bill 1996 was introduced to amend some provisions of the Hotel and Guesthouse Accommodation Ordinance, the Hotel Proprietors Ordinance and the Hotel Accommodation Tax Ordinance.

The Hotel and Guesthouse Accommodation Ordinance, which was enacted in May 1991, provides for a licensing scheme to regulate hotel and guesthouse accommodation to ensure that these establishments comply with requirements on fire and building safety, health and hygiene.

The spokesman said in implementing the licensing scheme, the Home Affairs Department's Licensing Authority (LA) identified several deficiencies in the ordinance.

"The definition of 'hotel' and 'guesthouse' under the ordinance has allowed establishments which offer accommodation to certain categories of persons, such as persons of a particular nationality or clients of one tourist agency, to operate outside the ambit of the Ordinance," he said.

"These establishments are in substance hotels and guesthouses and should be licensed so that their safety is under control."

He also said the interpretation of the term "any person presenting himself" in the definition by a High Court judge in an appeal case in March had restricted the scope of application of the ordinance as the judge ruled that hotels which accepted guests with prior reservations were not within the purview of the Ordinance.

"This judgment has created a loophole whereby hotels could claim that they let rooms in response to prior reservations and should not be subject to licensing," he said.

"To address the deficiencies, we propose that the definition of 'hotel' and 'guesthouse' be amended so that its scope includes establishments which offer accommodation to limited categories of persons; and that a person can present himself in person or through an agent or a representative, with or without prior booking."

On the period of licences issued to hotels and guesthouses, the spokesman said it was proposed that licences of up to three years' validity be issued or renewed.

He explained that most hotels had been issued licences with schedules containing major safety works and timetables for completion, and LA would consider issuing to hotels which had completed the scheduled works licences valid for up to three years in order to obviate the need for annual licence renewal.

"However, three-year licences cannot be issued without amending the ordinance," he said.

"The approval of three-year licences will be considered on a case by case basis and be granted only for establishments that are fulfilling the fire and building safety standards and would not abuse the licensing control," he stressed.

"Guesthouses may also be considered for three-year licences provided that the above conditions are fulfilled."

The spokesman said another amendment proposed was that notices for remedial works and in relation to closure order could be served by posting them in a conspicuous part of the premises.

"Under the ordinance, the notices may be served to the responsible person of a hotel or guesthouse personally or by registered post. However, serving of these notices would be difficult when the whereabouts or identity of the responsible persons are not known.

"It would assist operationally if these notices could be served by posting them in a conspicuous part of the premises without the need to state the name of the addressee," he said.

Another amendment, the spokesman said, was to allow any person authorised in writing by the Secretary for Home Affairs to enter a hotel or guesthouse to execute remedial works while a closure order was in force.

The spokesman explained that under the ordinance, the premises, once closed by order, might not be re-entered for carrying out the remedial works required. Without these works, the premises cannot be made safe and cannot be reopened as a hotel or guesthouse.

To tackle the time limit problem faced by LA in taking prosecution action against an offender, a new Section was proposed to be added in the ordinance, the spokesman said.

"Under the Magistrates Ordinance, LA is barred from initiating prosecution if an offence has been committed more than six months before the Authority issues the summons.

"This is unsatisfactory because an offence may occur immediately after an inspection of the premises by LA at the time of renewal of the licence and in these circumstances the offence will not be discovered shortly.

"The new Section will specify that the time bar for prosecution of offences shall be either six months of the commission of the offence or six months of the offence being discovered by or coming to the notice of LA, whichever is the later," he said.

The spokesman said the bill also proposes to amend the definition of "hotel" in the Hotel Accommodation Tax Ordinance and Hotel Proprietors Ordinance.

"As 'hotel' is similarly defined in the Hotel Accommodation Tax Ordinance as in the Hotel and Guesthouse Accommodation Ordinance, the definition has also presented problems on the charging of Hotel Accommodation Tax on establishments which are in substance hotels.

"Similar amendments to the definition are therefore made to plug the loophole," he said.

The bill was endorsed by the Governor-in-Council on May 14 and will be introduced into the Legislative Council on May 29.

End

Domestic export statistics classified by industrial origin

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In the first quarter of 1996, the four major industries of wearing apparel; textiles; machinery, equipment, apparatus, parts and components; and consumer electrical and electronic products together accounted for 68% of Hong Kong's total domestic exports of manufactured goods, according to statistics released today (Friday) by the Census and Statistics Department.

In the first quarter of 1996, domestic exports of machinery, equipment, apparatus, parts and components increased by 12% over a year earlier to \$9.4 billion.

On the other hand, domestic exports of consumer electrical and electronic products, textiles and wearing apparel decreased by 23%, 7% and 3% to \$6.4 billion, \$7.9 billion and \$8.6 billion respectively.

For the industry of transport equipment, although the change in absolute value was not large, there was a marked increase of more than 20 times. The increase was mainly in the category of motorboats, tugs and pusher crafts, and other vessels.

On the other hand, more notable absolute decreases in the value of domestic exports were recorded for professional and optical equipment (-\$257 million or -7%); basic metals and fabricated metal products (-\$216 million or -10%); chemicals and chemical products (-\$206 million or -10%); and plastic products (-\$197 million or -17%).

For the footwear industry, although the change in absolute value was not as large, a marked percentage decrease of 51% was recorded.

The above statistics of domestic exports classified by industrial origin are derived by re grouping the merchandise export items originally grouped under the external trade classification system according to the industries in which these merchandise items are normally produced. Transactions in gold and specie are excluded.

The industrial classification used is the Hong Kong Standard Industrial Classification (HSIC). HSIC is to be distinguished from the United Nations Standard International Trade Classification (SITC) used in the regular trade statistics reports.

In comparison, HSIC is more related to production processes whereas SITC is more geared to end uses of products.

Caution should be taken when referring to these domestic export statistics classified by industrial origin. There may be several intermediate processing stages in the production of certain merchandise export items.

In compiling the above statistics, the total value of such an item has however been wholly related to the industry in which the item is finally produced. The above domestic export statistics of a particular industry may include products which are secondary products by establishments of other industries.

Further details of merchandise domestic export statistics classified by industrial origin may be found in the attached table which is obtainable from the General Economic Surveys Section of the Census and Statistics Department, Tel 2805 6642.

A table showing more detailed breakdowns of similar statistics for major manufacturing industries is also included in the report "Hong Kong External Trade, March 1996".

**Domestic exports of manufactured goods classified by industrial origin
for the first quarter of 1996**

\$ Million

Industrial origin of the commodities exported	Merchandise domestic exports			
	1996 1st qtr.	1995 1st qtr.	Value change	% change
Food	620.2	650.2	-30.0	-4.6
Beverages	147.9	201.8	-53.9	-26.7
Tobacco manufactures	530.7	582.4	-51.7	-8.9
Textiles (including knitting)	7,948.3	8,550.5	-602.2	-7.0
Wearing apparel, except footwear	8,564.7	8,788.3	-223.6	-2.5
Leather and leather products, except footwear and wearing apparel	331.2	365.0	-33.8	-9.3
Footwear, except rubber, plastic and wooden footwear	9.4	19.2	-9.8	-51.1
Wood and cork products, furniture and fixtures	89.7	89.6	+0.0	+0.0
Paper and paper products, printing and publishing	1,808.9	1,781.0	+27.9	+1.6
Chemicals and chemical products	1,779.0	1,985.3	-206.3	-10.4
Products of petroleum and coal	5.5	4.7	+0.8	+16.0
Rubber products	11.9	18.5	-6.6	-35.5
Plastic products	970.5	1,167.8	-197.3	-16.9
Non-metallic mineral products, except products of petroleum and coal	86.1	141.8	-55.7	-39.3
Basic metals and fabricated metal products	2,050.2	2,266.1	-215.9	-9.5
Machinery, equipment, apparatus, parts and components	9,359.4	8,354.5	+1,005.0	+12.0
Consumer electrical and electronic products	6,418.2	8,335.9	-1,917.7	-23.0
Transport equipment	68.0	3.1	+64.9	+2,086.4
Professional and optical equipment	3,560.8	3,817.9	-257.1	-6.7
Other manufacturing industries	3,036.9	2,951.0	+85.9	+2.9
Total	47,397.4	50,074.5	-2,677.1	-5.3

Notes : 1. Individual entries of a column may not add up exactly to the corresponding total due to rounding. All percentage changes are calculated from unrounded figures.

2. The statistics presented in the above table are derived by re-grouping the merchandise export items (except gold and specie) under the external trade classification system according to the industries in which these items are normally produced. As from 1992, the Standard International Trade Classification, Revision 3 (SITC R3) has been adopted in place of the Revision 2 (SITC R2) for the classification of trade statistics. The above statistics may not be strictly comparable with those published for earlier years due to the change in trade classification.

General Economic Surveys Section,
Census & Statistics Department,
Hong Kong.

Tel. : 2805 6642

May 1996

End

Tenders for Tung Chung and new airport bus routes received

* * * * *

The Transport Department received bids from three tenderers for the operation of the two packages of bus routes to serve the new developments in Tung Chung and the new airport at Chek Lap Kok.

A spokesman for the department today (Friday) said the two packages include a total of 25 bus routes and each package comprised a balanced mix of services.

All three tenderers bid for package 1 while only two of them bid for package 2.

The spokesman said of the 25 bus routes, 19 were conventional services comprising seven long-distance routes linking the new airport with other districts in the territory, eight shuttle routes serving Tung Chung and the Chek Lap Kok Island, and four overnight routes to cover the 24-hour operation of the new airport.

Some of these conventional bus routes are multi-functional and will have buses provided with luggage facilities.

In addition, there are six airbus routes connecting the new airport with major hotels and the commercial areas.

The spokesman said operators of airbus routes would be expected to provide a delicatated premium service with upmarket air-conditioned vehicles and a wide range of customer-oriented facilities.

"Some of the routes will commence operation in mid-1997 to tie in with the first population intake in Tung Chung New Town and the build-up of airport employees.

"The bus network will be fully operational upon the opening of the new airport," the spokesman said.

The tender selection process would start immediately.

End

Origin rule for cut and sewn garments to be revised

* * * * *

Hong Kong's origin rule for cut and sewn garments will be revised with effect from July 1 from "cutting and sewing" to "assembly of parts into garments", the Trade Department announced today (Friday).

The revision will not deviate from the basic principle of "substantial transformation", which is an internationally accepted criterion for origin determination, and will not affect Hong Kong's obligations under the World Trade Organisation (WTO) Agreement on Rules of Origin.

A department spokesman said: "The revision will in fact be a step towards bringing about greater harmonisation of origin rules before the conclusion of an on-going international effort to align origin rules being undertaken by the WTO."

He said Hong Kong had all along been a staunch advocate of free trade and its policy was to provide a good trading and investment environment to the industry.

"The change of origin rule for cut and sewn garments will on the whole benefit our trade and industry as a broadly harmonised origin criterion will eliminate the need to invest in different modes of manufacturing to cater for the requirements of different markets, thus enhancing the competitiveness of the local industry," the spokesman said.

At present, divergent origin rules are being adopted by Hong Kong and its major trading partners for cut and sewn garments, that is, "cutting" for the United States (US), "complete making-up" for the European Union (EU) and "cutting and sewing" for Hong Kong.

The promulgation of the US Uruguay Round Agreement Act (URAA) has confirmed that US will revise its origin rule for cut and sewn garments from "cutting" to "wholly assembled" effective from July 1.

The revised US rule will, in effect, bring it into closer alignment with the origin rule currently adopted by the EU.

"With an emerging common international practice of using 'assembling' as origin-conferring process for cut and sewn garments, the Trade Department, after careful consideration, has concluded that there is no need to maintain a more stringent origin rule than our trading partners," the spokesman said.

"It is therefore decided to revise the current Hong Kong origin rule to 'assembly of parts into garments' with effect from July 1."

To cater for the revision of the origin rule, he said, a new set of certification arrangements would apply for cut and sewn garments effective from the same date.

"The new arrangements are simple to administer and would not pose onerous burdens on local traders and manufacturers," said the spokesman, adding that details of the arrangements have been incorporated in a Certificate of Origin Circular issued today to traders and manufacturers.

To familiarise traders and manufacturers with the new certification arrangements, the Trade Department will be conducting in mid-June a seminar to explain the implementation details of the new arrangements.

Interested traders should contact Mr H K Wu of the department's Certification Branch on 2398 5542 to reserve their seats.

End

Law Society meets AG on conveyancing fees

* * * * *

The President, Vice President and other representatives of the Hong Kong Law Society met the Attorney General, Mr Jeremy Mathews, today (Friday) and presented a position paper setting out the Society's proposals on fees for conveyancing work.

Mr Mathews said he would give their proposals very careful consideration. He would consider whether they were fair to consumers and not anti-competitive, and would take into consideration the considerable public support for the abolition of scale fees.

In February, the Attorney General announced that the Administration would prepare legislation to abolish scale fees for introduction to the Legislative Council this session.

In the meantime, if the Law Society wanted to come forward with alternative proposals that were fair to consumers and were not anti-competitive, the Administration would give them careful consideration.

End

Secretary for the Treasury speaks on serving the community

* * * * *

The Secretary for the Treasury, Mr K C Kwong, said today (Friday) that the Government was changing its culture with the introduction of a caring touch in serving the community.

Speaking at the Chartered Institute of Management Accountants' Annual Dinner, Mr Kwong said the Government had spent considerable time over the past few years developing a serving the community programme and focusing on improving service to the community .

He said the aim of the programme was to foster stability and prosperity, improve the quality of life of the whole community, care for those who need help, protect the rights and freedoms of the individual, maintain the rule of law, and encourage people to play their part in their community.

"Since the services we deliver are public services and involve spending public money, the community expects us to provide services in a proper and ethical way. Therefore, we have developed a number of common values which include propriety, integrity, efficiency, and openness," he said.

The Government had identified four core principles in order to turn the aims into reality. These were: accountability, living within our means, managing for performance, and developing our culture of service, he added.

"All departments have now introduced performance pledges setting out in very clear terms the level of service the community can expect from many thousands of different types of services and transactions that the Government provides on a daily basis," he said.

"It has become apparent that the business community's needs are more specific and we must focus more on these to enable this sector to remain competitive and continue to play its major role in generating the wealth that sustains the community as a whole."

It was with this in mind that the Financial Secretary announced a 'helping business' programme in his budget speech, Mr Kwong said.

The programme has set the aim to cut red tape and eliminate over regulation, to reduce the cost of compliance and enforcement whenever possible, to transfer services out of the public sector to the business sector, and to improve existing services or introduce new services in response to reasonable demands from the business sector.

"To get things moving, we have commissioned a number of pilot studies that will test different types of improvements - service-wide, departmentally and on a project basis," Mr Kwong said.

"We have set ourselves a fairly ambitious target of completing the pilot studies over the next six months. Where we go from there will depend very much on the results.

"I am hoping it will lead to our widening the range of studies and ultimately to integration of the concepts and ideas into the daily management process of Government departments"

End

IBCA and JBRI ratings for LAF purpose recognised

* * * * *

The Hong Kong Monetary Authority (HKMA) today (Friday) announced that the ratings of IBCA and the Japan Bond Research Institute (JBRI) will be recognised by HKMA in assessing the eligibility of Hong Kong dollar denominated debt issues as Repo securities for discounting under LAF with immediate effect.

The minimum requirements in respect of the ratings assigned by IBCA and JBRI for LAF purpose for the time being are as follows:

Debt instruments issued by:

	<u>Banks</u>	<u>Non-bank issuers</u>
IBCA	A-	A
JBRI	A+	AA-

HKMA reserves the right to make adjustments to the above minimum rating requirements from time to time.

Previously only the ratings of the S&P's and Moody's were recognised for LAF purpose. IBCA is a London-based rating agency set up in 1978. JBRI, which is based in Tokyo, was established in 1979.

End

Building management seminar to be held tomorrow

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More than 600 flat owners, office-bearers of owners' corporations and mutual aid committee members are expected to benefit from professional advice on building management at a seminar at the Hong Kong Convention and Exhibition Centre tomorrow (Saturday).

Jointly organised by the Home Affairs and the Housing departments, the Building Management Seminar '96 is an annual event to promote effective building management among members of the public.

Five professionals in the field, including a solicitor, an accountant, a housing manager, a police superintendent and a representative of the Hong Kong Association of Property Management Companies will speak on various topics.

Subjects to be covered include the contracting out of public housing estate management, the security personnel permit, proper accounting of management fees and special funds, the role of property manager in building management and legal aspects of building management.

A question-and-answer session will follow each presentation to allow participants to raise questions. Concluding the seminar will be an open discussion in which participants and speakers can exchange views on various issues relating to building management.

About 60 district board members will share their experience in handling building management issues with participants at the seminar.

An exhibition highlighting the major aspects of the topic will also be staged at the venue.

End

Royal Marines host Children's Charity Challenge

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Royal Marines fast-roping from a helicopter, music from the Band of the Royal Logistic Corps, a Royal Air Force Wessex helicopter on display - these are just a taste of what is on offer at Kings Park Sports Ground, Kowloon, on Sunday (May 19), when the Royal Marines host a Children's Charity Challenge.

While the 10-man detachment from the Royal Navy's Base at HMS Tamar, Stonecutters Island, entertains over 80 children from local schools, members of the public are invited to join in the fun and help raise money for the Hong Kong Branch of the Save The Children Fund.

Admission to the event, which kicks off at 10 am on Sunday, costs \$20 for adults, free of charge for children, and visitors will be able to enjoy a variety of entertainment including trampolining, a bouncy castle, paintballing, target golf and beat the goalkeeper.

Prizes of a "White-knuckle" ride in a Royal Navy Fast Pursuit Craft, a helicopter flight over Hong Kong and dinner in some of the territory's top restaurants will also be up for grabs in a grand prize draw.

The Royal Marines, who are based at 42 Cdo, Plymouth, in the United Kingdom, are nearing the end of their four-month detachment to Hong Kong and are following in the fund-raising footsteps of their predecessors who, earlier in the year, took part in Rent-A-Royal in aid of the Save The Children Fund.

End

Dredging at East of Sha Chau

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The Civil Engineering Department (CED) is inviting tenders for dredging works at east of Sha Chau.

The works comprise the dredging of about nine million cubic metres of uncontaminated mud from pits IIIc, IIIId and IIIe at east of Sha Chau.

These mud pits, when ready, will be used for the disposal of contaminated mud arising from the forthcoming reclamation and dredging projects.

The contract is expected to commence in July for completion in February next year.

Designed by the Fill Management Division of the Geotechnical Engineering Office, the project will be supervised by the Port Works Division of the Civil Engineering Office, CED.

Tender forms and further particulars can be obtained from the Chief Engineer, Port Works Division, Civil Engineering Office, CED, fifth floor, Civil Engineering Building, 101 Princess Margaret Road, Ho Man Tin, Kowloon.

Tender offers will close at noon on Friday, June 7.

End

Fresh water cut in Ap Lei Chau and Sheung Shui

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Fresh water supply to some premises in Ap Lei Chau and Sheung Shui will be temporarily suspended between 11 pm on Monday (May 20) and 6 am the following day for waste detection work on water mains.

The suspension will affect premises in Ap Lei Chau Main Street, Lee Man Road, Lee Chi Road, Ho King Street, San Shi Street, Shui Sau Street, Shan Ming Street, Ping Lan Street, Wai Fung Street, Hung Shing Street and London Lane.

In Sheung Shui, the suspension will affect Ngau Tei and Kam Tsin (Kam Tsin Tsuen) of Kam Tsin Road, and Tsung Pak Long, Yin Kong of the Kwu Tung Section of Castle Peak Road.

End

Hong Kong Monetary Authority money market operations

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,111	0930	-154
Closing balance in the account	3,460	1000	-154
Change attributable to :		1100	-150
Money market activity	+47	1200	-149
LAF today	+1,302	1500	-149
		1600	+47

LAF rate 4.00% bid/6.00% offer TWI 123.9 *+0.0* 17.5.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.08	2 years	2805	6.30	100.32	6.22
1 month	5.08	3 years	3904	6.30	99.29	6.68
3 months	5.16	5 years	5103	6.75	98.24	7.31
6 months	5.25	7 years	7302	6.02	91.74	7.74
12 months	5.61	5 years	M502	7.30	99.69	7.52

Total turnover of EF bills and notes - \$16,958 million

Closed May 17, 1996

End