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<u>Contents</u>	<u>Page No.</u>
Transcript of Governor's media session	1
Results of pay TV review published for public consultation	3
Oil industry joins in to combat illegal use of diesel	6
Consultancy teams to study language benchmarking appointed	7
Bill seeks to ban unsafe household electrical products	8
Consumer price indices for February	10
Commitment to bring VM issue to a close reaffirmed	16
Labour tribunals to be relocated to Mong Kok	16
New appointments to HK Sports Development Board made	18
Representation to EC on anti-circumvention actions	20
Governor visits Kwai Tsing District	22
Masters urged to navigate at safe speed	22
Eastern District by-election forum	23
Hong Kong Monetary Authority money market operations	24

Transcript of Governor's media session

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Following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, after visiting Kwai Tsing District this (Thursday) afternoon:

Governor: I'm delighted to have been able to visit Kwai Tsing again today. This is an area which is in the front line of Hong Kong's economic development, partly as a result they face a number of environmental problems, and I've been grateful for the opportunity of seeing some of them first-hand and discussing them with the chairman of the district board and members of the district board. So I'll be taking back some of the thoughts that I've received from the district board today. Any questions?

Question: What do you think about the Preparatory Committee saying that the 1994 National People's Congress resolution has given the legitimacy of the proposed provisional legislature?

Governor: I was interested that those who replied very quickly to the remarks I made yesterday, quickly and rather intemperately, didn't actually respond to the main point that I've made. Now it may be that over the coming months, members of the Preparatory Committee and Chinese officials will drum up all sorts of spurious justifications for dismantling the lawfully constituted Legislative Council here in Hong Kong, and I think the community will look at those justifications with a good deal of scepticism. Why? Because I think the view in the community is that there is only one purpose which Chinese officials are seeking, and that is to exclude from the legislature some of the politicians in Hong Kong who most clearly represent the majority view of Hong Kong. That is the purpose. Now let's hear some of the members of the Preparatory Committee and Chinese officials responding to that point. If they think that we are wrong, let them deny categorically that they will put forward any arrangements designed to exclude some of those politicians in Hong Kong who've demonstrated that they clearly represent majority opinion. They could be even more reassuring in what they say about the legislature. Fourteen members of the Preparatory Committee are themselves members of the Legislative Council. One of them addressed remarks on this subject yesterday. They work very happily alongside other members of the Legislative Council, members for example who are in the democrat party. I think those members of the Preparatory Committee should themselves state categorically that they won't support any proposals for a provisional legislature or for another Legislative Council which exclude specifically from membership some of those that they sit alongside in the Legislative Council today. Now until those points are addressed, the whole community is going to view these discussions within the Preparatory Committee with a very considerable amount of suspicion to put it no more strongly. So I hope those points will be addressed by Chinese officials and by members of the Preparatory Committee over the next few days. And I hope the Preparatory Committee will demonstrate that it's prepared to speak up for Hong Kong and not just go along with whatever some Chinese officials propose.

Question: Will Government compensate those excluded individuals?

Governor: Well, we've made perfectly clear that we are not doing anything to threaten the future of the Legislative Council. The Legislative Council was elected for four years. Why do people want to disrupt its work? Do they want to disrupt its work because they want to have election arrangements in place which are more fair? Do they disrupt its work because they want to have arrangements in place which are more democratic? Nobody thinks that for one moment. If there is disruption which leads to problems, then those who do the disrupting have to bear the consequences.

Question: But will the Government compensate for ...?

Governor: I've just answered that question.

Question: (on container terminal 9)

Governor: Well, I was very pleased that at Mr Rifkind's meeting with Mr Qian Qichen, the Chinese Vice Premier in January, Mr Qian made it perfectly clear that the arrangement which emerged from the discussions between the commercial parties would be satisfactory to the Chinese side. I very much hope that those commercial negotiations will end satisfactory as soon as possible. They are still going on. Obviously we'd like to see them concluded in a satisfactory way as soon as we can and for us, a satisfactory conclusion as you know is one that combines continuing development of the facilities of the port with a little more competition.

Question: Do you think Britain can do anything at this eleventh hour now to prevent the setting up of the provisional legislature ... ?

Governor: Well, you heard what the Prime Minister said during his visit to Hong Kong. I think that if the Preparatory Committee and Chinese officials insist on tearing out the roots of democracy in Hong Kong, they will have to justify that to the people of Hong Kong and they will have to justify it beyond as well, particularly given the questions that I've raised which have still not received answers. But I am sure all of us in Hong Kong will go on asking those questions until somebody does answer them. Okay. Thank you very much.

End

Results of pay TV review published for public consultation

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The Government is proposing to offer two Video on Demand (VOD) programme service licences for application later this year, but no further pay TV licences will be issued for the time being.

A further review will be conducted in 1998 to consider whether any new pay TV or programme service licences should be issued and what adjustments should be made to the regulatory regime for licensees under the Television Ordinance in the light of market changes and technological advances.

The proposals were made following examination of an economic analysis of impact upon the television market of new services commissioned by the Recreation and Culture Branch late last year.

The review which followed looked at how the pay TV market could be deregulated in a structured and orderly manner, with minimal impact on both existing and potential broadcasters.

The Secretary for Recreation and Culture, Mr Chau Tak-hay, told a press conference this (Thursday) afternoon that the economic analysis had shown that the local pay TV and VOD programme service market was not ready to accommodate many new licensees.

"If the pay TV market was fully deregulated, the financial position of the existing pay TV licensee could deteriorate significantly," he said, adding that even partial deregulation could threaten its economic viability.

But the Government did not think it would be in Hong Kong's interests to attempt to suppress the commercial exploitation of VOD technology, which would allow more choice to consumers, and help to develop the Information Superhighway in Hong Kong.

"Neither do we think that it would be reasonable to allow a single VOD operator to monopolise the market. Consumers would benefit from competition, both in terms of competitive pricing, and a wider choice of services," he said.

"We therefore propose that while no more pay TV licence should be issued until after a review in 1998, two VOD programme service licences should be offered later this year, subject to the approval of the Legislative Council of the necessary amendments.

"We intend to bring forward these amendments during the current legislative session if possible, or early in the following session."

Meanwhile, Mr Chau proposed to remove the following with a view to liberalise the television market:

- * the restrictions preventing satellite broadcasters from bidding for domestic licences under the Television Ordinance, including pay TV, VOD programme services, and free-to-air licences;
- * the requirement on licensed satellite broadcasters to pay a service origination charge, in order to promote Hong Kong as a regional broadcasting hub;
- * the obstacles to domestic licensees competing in the regional satellite broadcasting market; and
- * the restriction on carrying advertising, for both the existing and future pay TV licensees with effect from June 1, 1996, subject to appropriate Codes of Practice.

The Government also saw no grounds to limit the number of channels which pay TV licensees may provide, or the amount of material which VOD programme service licensees can make available.

"There are no maximum restrictions on the current pay TV licensee, and we do not propose to introduce any," Mr Chau said.

On royalty payments, Mr Chau noted that the top rate at which royalties were payable by ATV and TVB was reduced in 1993, in anticipation of competition from Hutchvision, which was given permission to launch Cantonese programmes on Star TV in the same year.

"As you know, this competition has not yet occurred, although broadcasters continue to enjoy the benefits of the concession.

"We are therefore not persuaded that a further reduction is justified. However, we remain ready to consider the representations of broadcasters, and to reconsider our stance if it can be demonstrated that a fundamental change in the television market has already occurred," Mr Chau said.

Following the removal of the existing ban on advertising on pay TV, the Government proposed that pay TV and programme service licensees should be required to pay advertising and subscription royalties.

As regards licence fees, it remains government's policy that licensees should pay the full cost of preparing and administering their licences. The Government will take account of this when granting new programme service licences.

It will also take account of this policy in the mid-term reviews of existing licences and consider reintroducing to the Legislative Council proposals to charge full-cost licence fees in respect of those broadcasters, that is, ATV and TVB, whose mid-term reviews were concluded recently.

Concern about possible domination of the media by a few large companies has prompted calls for restrictions on cross media ownership.

There are already restrictions on cross ownership of radio and television licensees. The Consumer Council also recommended last month that newspaper owners be disqualified from owning television licences.

The Secretary said there were arguments on both sides of the case.

"But we have decided on balance to propose that newspaper owners be disqualified from exercising control over domestic television licensees, except with the permission of the Governor in Council," he said.

The proposed disqualification of newspaper owners would prevent one owner from exercising control over a licensee if he also exercised control over a newspaper.

"Subject to the approval of the Legislative Council, we intend that this restriction should apply from today (Thursday), with safeguards for the rights of existing shareholders," Mr Chau said.

"Those persons who currently exercise control of television licensees, who would as a result of the amendment become disqualified persons, would be allowed to continue exercising control of the relevant licensee, provided that they did not increase their holdings after the proposals are published.

"This would allow existing shareholders to retain their shareholdings, if they wish, but means that others who acquire an interest in more than 15 per cent of the voting shares of a licensee under the Television Ordinance after today may be required to reduce their shareholdings to 15 per cent if our proposals become law."

The Government's proposals are set out in a consultation paper which is available in English and Chinese, at the office of the Recreation and Culture Branch, 41st floor, Revenue Tower, 5 Gloucester Road, Wan Chai.

During the month-long consultation period which is scheduled to end on April 22, the Branch will solicit views from broadcasters, legislators, the Broadcasting Authority and other interested parties.

Public comments and suggestions are welcomed and should be sent to the Branch either by mail or fax 2511 1458.

End

Oil industry joins in to combat illegal use of diesel

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The oil industry and the Customs and Excise Department today (Thursday) signed an agreement to start operating a reward scheme from April 1 in addition to the department's other similar schemes.

Five oil companies - Caltex, CRPC, Esso, Mobil and Shell - have contributed a total of \$1 million to pay rewards ranging from \$3,000 to \$170,000 to anyone who provides information leading to the seizure and forfeiture of illicit diesel or conviction of persons so connected.

The department is determined to counter all kinds of illicit diesel activities including smuggling, unlawful distribution and sale.

Last year, a total of 1,469,800 litres illicit diesel was seized and 1,212 offenders were arrested in this connection.

The department welcomes the contribution of the oil industry in the campaign of combating against the illegal use of diesel oil.

The scheme will help to enhance the public's awareness of the seriousness of the problem and provide monetary incentive to persons who can supply useful information on illicit diesel activities.

Information can be passed to the department:

- (a) by telephone 2545 6182 (24 hours);
- (b) by fax 2543 4962 (24 hours);
- (c) by "Customs Crime Report" aerogramme, available at all Customs Offices and District Offices;
- (d) by letter to the Department, GPO Box 1166; or
- (e) in person.

The identity of the person(s) providing information will be kept strictly confidential.

End

Consultancy teams to study language benchmarking appointed

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The Advisory Committee on Teacher Education and Qualifications (ACTEQ) has appointed two consultancy teams to develop language benchmarks for language and non-language teachers in schools.

The appointments are made on advice of its Task Force setting up to oversee the exercise to establish the language benchmarks as recommended by the Education Commission Report No 6.

The two teams, involve participation of the Hong Kong University, Chinese University and the Hong Kong Institute of Education, are expected to submit their recommendations around August setting out a framework of language benchmarks.

The consultancy studies will also include an assessment mechanism and the training required to bring new and serving teachers to the language benchmarks.

The principal investigators to conduct studies on setting benchmarks for teachers using Chinese as the medium of instruction and Chinese language (including Putonghua) teachers in primary and secondary schools are Dr Winnie Auyeung Lai, Department of Curriculum Studies, University of Hong Kong, and Mrs Ivy Tse of Hong Kong Institute of Education.

The Consultancy team to study the setting of benchmarks for teachers using English as the medium of instruction and English language teachers in primary and secondary schools are Dr David Coniam, Department of Curriculum and Instruction, Chinese University of Hong Kong, and Dr Peter Falvey, Department of Curriculum Studies, University of Hong Kong.

The Task Force was chaired by Professor Felice Lieh Mak, and comprised ACTEQ members as well as co-opted members who are front-line language teachers.

End

Bill seeks to ban unsafe household electrical products

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The Electricity (Amendment) Bill 1996, to be gazetted by the Government tomorrow (Friday), paves the way for enactment of regulations to provide for safety requirements of household electrical products.

The Bill will enable the Director of Electrical and Mechanical Services, to prohibit the supply of an unsafe electrical product, in the interests of safety, with "supply" being defined to include all of the commercial means through which a product may reach a consumer.

The Bill increases the maximum penalty for a first conviction of supplying a prohibited electrical product from a fine of \$50,000 and six months' imprisonment to a fine of \$100,000 and one year's imprisonment.

The Bill will be introduced into the Legislative Council on April 3.

If enacted by the Legislative Council, the Bill will be followed by new regulations requiring that all electrical products designed for household use should comply with certain essential safety requirements to ensure that, during normal use of the product, the user is protected from electrical shock and other dangers from hazardous materials or design.

In addition, some electrical products will have to comply with specific safety requirements. These products are plugs, adaptors, lampholders, flexible cords, extension units (plug, flexible cord and socket) which frequently bring the public into close proximity with live terminals or conductors and pose particular danger if not designed for safe handling and operation, and unvented thermal type electric water heaters, which require special safety devices to regulate temperature and pressure inside them.

The safety requirements will be based upon well established standards recognised internationally.

The new regulations will make the supplier of a household electrical product responsible for ensuring that it complies with the safety requirements before it can be supplied to consumers. It will also make it an offence to supply an unsafe electrical product.

Explaining the proposals, Principal Assistant Secretary for Economic Services, Mr Eric Johnson, said from 1991 to 1995, 28 severe electrical accidents relating to unsafe household electrical products, of which 19 involved death and nine involved injury, were reported to the Director of Electrical and Mechanical Services.

The proposals, he said, reflected the Government's concern that tests carried out by the Consumer Council had shown that some models of common household electrical products could not pass examination when examined against international safety standards.

"The new safety requirements for plugs and adaptors, introduced in March 1995 after wide consultation and a grace period for the trade to adjust, were successful in improving the safety of those products, so the Government is adopting a similar approach for other household electrical products," he said.

A spokesman for the Electrical and Mechanical Services Department said: "The majority of household electrical products available locally meet international safety standards, but there are still some sub-standard electrical products available in the market which could pose risks to the user".

"The objective of the new regulations is to eliminate unsafe electrical products from the market."

Existing safety requirements relating to plugs and adaptors, which came into force in March 1995, will be incorporated into the new regulations.

Over 60 organisations, including the Consumer Council, the electrical trade and other interested parties, were consulted as the proposals were being drawn up. A 12-month grace period will be allowed for the trade to make arrangements for complying with the new requirements.

End

Consumer price indices for February

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The Consumer Price Index (A) was 6.6% higher in February 1996 than a year ago. The corresponding rate of increase in January was 5.9%, according to the latest CPIs released by the Census and Statistics Department today (Thursday).

The rates of increase in the Consumer Price Index (B) and the Hang Seng CPI were also higher in February than in January - 7.3% against 6.8% for CPI(B); and 8.2% against 7.9% for Hang Seng CPI.

The Composite CPI, which is compiled based on the combined expenditure pattern of all households, showed an increase of 7.3% in February 1996, against 6.8% in January.

A government spokesman said reflecting a general moderation in inflationary pressures from both domestic and imported sources, the prices of most consumer items continued to show less rapid increases in February.

These included clothing and footwear, durable goods, alcoholic drinks and tobacco, housing cost, fuel and light, and meals away from home.

The faster year-on-year rate of increase in CPI in February than in January was mainly due to the festival effect, in particular, the difference in timing of the Chinese New Year, which occurred in mid-February this year, but in end January/early February last year.

While the prices of a number of basic food items and the charges for hair-dressing and package tours were generally higher before the festival, the unusually cold weather in the latter part of February also caused a temporary upsurge in the prices of vegetables.

These together had lifted the increase in CPI in February on a year-on-year comparison.

Taking the first two months of the year together, the increase in CPI(A) averaged 6.2% over a year earlier. The respective increase was 7.1% for CPI(B), 8% for Hang Seng CPI and 7% for Composite CPI. They were all significantly slower than the corresponding average increases of 8.7%, 9.2%, 9.6% and 9.1% in 1995.

Analysed by component, relatively faster year-on-year price increase than the overall average was recorded in February for housing (10.4% in CPI(A), 11.4% in CPI(B), 13.9% in Hang Seng CPI and 11.9% in Composite CPI).

Meanwhile, those components with relatively slower year-on-year price increases than the overall average were durable goods (2.4% in CPI(A), 2% in CPI(B), 3.4% in Hang Seng CPI and 2.5% in Composite CPI); meals bought away from home (4%, 4.1%, 3.2% and 3.9%); fuel and light (4.6%, 4.5%, 3.7% and 4.4%); alcoholic drinks and tobacco (5.7%, 5.3%, 4.8% and 5.4%); and food (excluding meals bought away from home) (6.3%, 6.6%, 6.5% and 6.4%).

Comparing February 1996 with January 1996, CPI(A) and CPI(B) increased by 1.4% and 1.2% respectively. The corresponding increases for Hang Seng CPI and Composite CPI were 0.7% and 1.2% respectively.

For the three months ended February 1996, CPI(A) and CPI(B) were, on average, higher by 6.4% and 7.1% respectively over a year earlier. The corresponding increases for Hang Seng CPI and Composite CPI were 8% and 7.1% respectively.

For the 12 months ended February 1996, CPI(A) and CPI(B) were, on average, higher by 8.2% and 8.7% respectively than the preceding 12-month period. The corresponding increases for Hang Seng CPI and Composite CPI were 9.2% and 8.7% respectively.

Seasonally adjusted series are also available for CPIs. The seasonally adjusted monthly rate of increase in CPI(A) and CPI(B) increased by an average of 0.2% and 0.4% respectively during the three months ended February 1996. The corresponding increases for Hang Seng CPI and Composite CPI were both 0.3%.

Further details are shown in Tables 1-2 and Charts 1-4.

More details are given in the Consumer Price Index Report for February 1996, which is on sale at \$37 per copy from the Government Publications Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway, Hong Kong.

It is also available from the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

For local and overseas mailings, contact should be made with the Information Services Department, 28th floor, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong.

For enquiries about the indices, please telephone the Consumer Price Index Section of the Census and Statistics Department at 2805 6403. Details regarding Hang Seng CPI are contained in the Hang Seng CPI Report issued by the Economic Research Department of Hang Seng Bank Ltd.

Table 1 Consumer Price Indices and Rates of Increase for February 1996
(Oct. 89 - Sep. 90 = 100)

Component	CPI(A)		CPI(B)		Hang Seng CPI		Composite CPI	
	Index for Feb 96	% change over Feb 95	Index for Feb 96	% change over Feb 95	Index for Feb 96	% change over Feb 95	Index for Feb 96	% change over Feb 95
Food	157.0	+5.1	158.6	+5.0	159.6	+4.4	158.1	+4.9
Meals bought away from home	166.1	+4.0	165.5	+4.1	165.0	+3.2	165.6	+3.9
Food, excluding meals bought away from home	148.0	+6.3	149.0	+6.6	150.4	+6.5	148.8	+6.4
Housing	196.0	+10.4	202.6	+11.4	210.8	+13.9	203.2	+11.9
Fuel and light	137.2	+4.6	136.6	+4.5	134.9	+3.7	136.6	+4.4
Alcoholic drinks and tobacco	200.6	+5.7	189.4	+5.3	183.2	+4.8	194.2	+5.4
Clothing and footwear	152.0	+8.6	154.6	+9.4	161.1	+6.5	156.1	+8.2
Durable goods	117.5	+2.4	116.6	+2.0	123.5	+3.4	118.9	+2.5
Miscellaneous goods	132.1	-5.1	133.4	-1.0	135.1	+2.1	133.3	-1.8
Transport	163.8	+6.7	163.4	+6.6	161.9	+5.7	163.1	+6.4
Miscellaneous services	189.5	+10.5	181.3	+9.6	164.4	+7.4	178.7	+9.3
All items	165.6	+6.6	168.0	+7.3	171.9	+8.2	168.1	+7.3

Monthly consumer price indices are compiled on the basis of (a) expenditure patterns of relevant households and (b) prices collected currently in the month. The expenditure patterns underlying the 1989/90-based consumer price indices are based on those patterns derived from the 1989/90 Household Expenditure Survey. The CPI(A) is based on the expenditure pattern of about 50% of households in Hong Kong, which had an average monthly expenditure of \$2,500-\$9,999 in 1989/90 (broadly equivalent to \$3,900-\$16,000 at 1995 prices). The CPI(B) is based on the expenditure pattern of the next 30% of households, which had an average monthly expenditure of \$10,000-\$17,499 in 1989/90 (broadly equivalent to \$16,000-\$28,500 at 1995 prices). The Hang Seng CPI is based on the expenditure pattern of the next 10% of households, which had an average monthly expenditure of \$17,500-\$37,499 in 1989/90 (broadly equivalent to \$28,500-\$61,000 at 1995 prices).

Whereas the CPI(A), CPI(B) and Hang Seng CPI are based on the expenditure patterns of groups of households with different magnitudes of household expenditure, the Composite CPI is compiled based on the expenditure pattern of all these households taken together. Thus, while the CPI(A), CPI(B) and Hang Seng CPI show the impact of consumer price changes on different groups of households, the Composite CPI shows the impact of consumer price changes on the household sector generally.

Table 2 Consumer Price Indices and Year-on-year Rates of Change for
February 1993 - February 1996
(Oct. 89 - Sep. 90 = 100)

<u>Year/month</u>		<u>CPI(A)</u>		<u>CPI(B)</u>		<u>Hang Seng CPI</u>		<u>Composite CPI</u>	
		<u>Index</u>	<u>Year-on-year rate of change (%)</u>	<u>Index</u>	<u>Year-on-year rate of change (%)</u>	<u>Index</u>	<u>Year-on-year rate of change (%)</u>	<u>Index</u>	<u>Year-on-year rate of change (%)</u>
1993	February	132.4	8.6	132.2	9.1	132.0	9.1	132.2	8.9
	March	132.0	7.8	132.2	8.5	133.1	9.2	132.4	8.4
	April	133.5	7.7	133.9	8.5	134.5	9.5	133.9	8.5
	May	134.5	8.5	134.8	8.8	136.3	9.8	135.1	8.9
	June	136.0	8.6	135.9	8.7	137.1	9.5	136.3	8.8
	July	135.8	8.2	136.1	8.5	136.9	9.2	136.2	8.6
	August	136.3	8.5	136.6	8.5	137.4	9.2	136.7	8.7
	September	138.4	7.9	138.3	8.1	139.2	9.2	138.6	8.3
	October	140.0	9.0	139.6	8.7	140.7	9.4	140.0	9.0
	November	139.4	8.4	139.9	8.4	142.2	9.5	140.3	8.7
	December	140.4	8.6	140.9	8.5	143.3	10.2	141.3	9.0
	1994	January	140.0	6.2	140.7	6.9	143.4	9.0	141.1
February		142.7	7.8	142.9	8.1	144.9	9.8	143.3	8.4
March		142.5	8.0	143.0	8.2	145.3	9.2	143.4	8.4
April		143.8	7.7	144.8	8.2	147.9	9.9	145.2	8.4
May		145.0	7.8	146.1	8.4	150.0	10.0	146.7	8.6
June		146.2	7.5	146.9	8.1	151.0	10.1	147.7	8.4
July		147.3	8.5	147.9	8.6	150.5	9.9	148.3	8.9
August		149.6	9.8	149.6	9.5	151.7	10.4	150.1	9.8
September		150.3	8.6	150.8	9.0	153.4	10.2	151.3	9.2
October		151.1	7.9	152.2	9.0	155.3	10.5	152.6	9.0
November		151.4	8.6	153.1	9.5	157.3	10.6	153.5	9.5
December		153.0	8.9	154.3	9.5	158.1	10.3	154.8	9.5
1995	January	154.1	10.1	155.3	10.4	158.2	10.3	155.6	10.3
	February	155.4	8.9	156.6	9.6	159.0	9.7	156.7	9.4
	March	156.1	9.5	157.4	10.0	159.7	9.9	157.5	9.8
	April	157.6	9.6	159.2	9.9	162.3	9.8	159.4	9.8
	May	158.1	9.1	159.9	9.5	164.2	9.5	160.4	9.3
	June	159.2	8.9	161.1	9.6	165.6	9.7	161.6	9.4
	July	159.8	8.5	161.5	9.2	165.7	10.1	161.9	9.2
	August	162.0	8.3	163.1	9.0	166.6	9.8	163.6	9.0
	September	163.7	8.9	164.5	9.1	168.5	9.8	165.2	9.2
	October	163.8	8.4	165.6	8.8	170.0	9.4	166.1	8.8
	November	163.8	8.2	165.8	8.3	171.2	8.9	166.5	8.4
	December	163.1	6.6	165.5	7.3	170.6	7.9	165.9	7.2
1996	January	163.2	5.9	166.0	6.8	170.7	7.9	166.2	6.8
	February	165.6	6.6	168.0	7.3	171.9	8.2	168.1	7.3

Chart 1 Year-on-year Rates of Increase
in CPI(A)

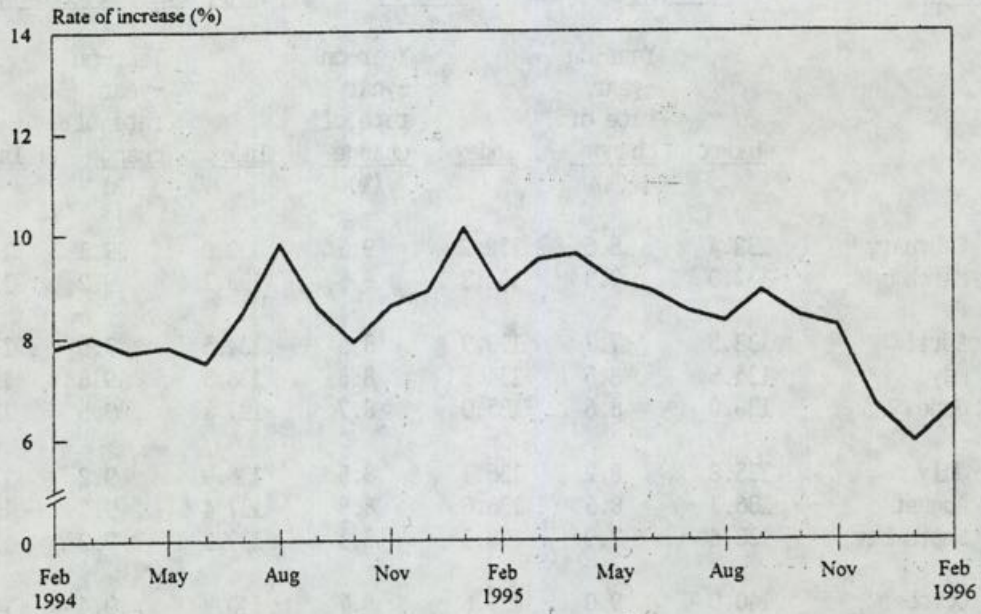


Chart 2 Year-on-year Rates of Increase
in CPI(B)

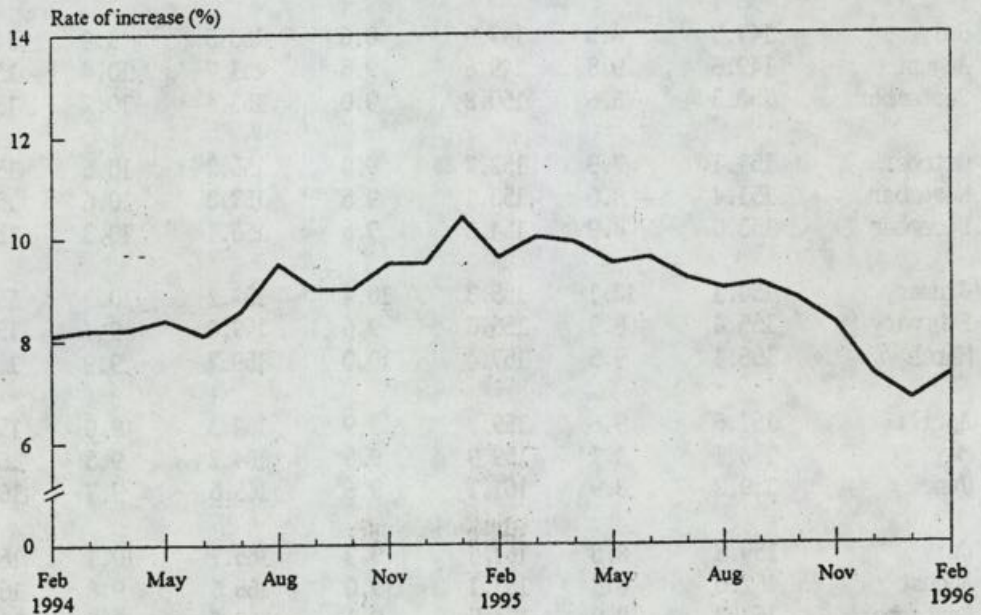


Chart 3 Year-on-year Rates of Increase
in Hang Seng CPI

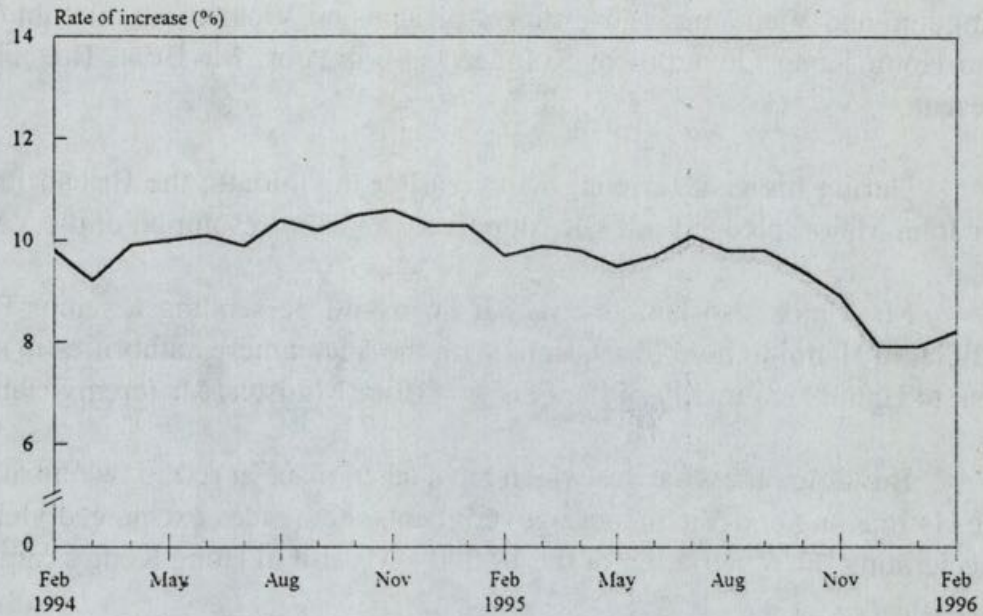
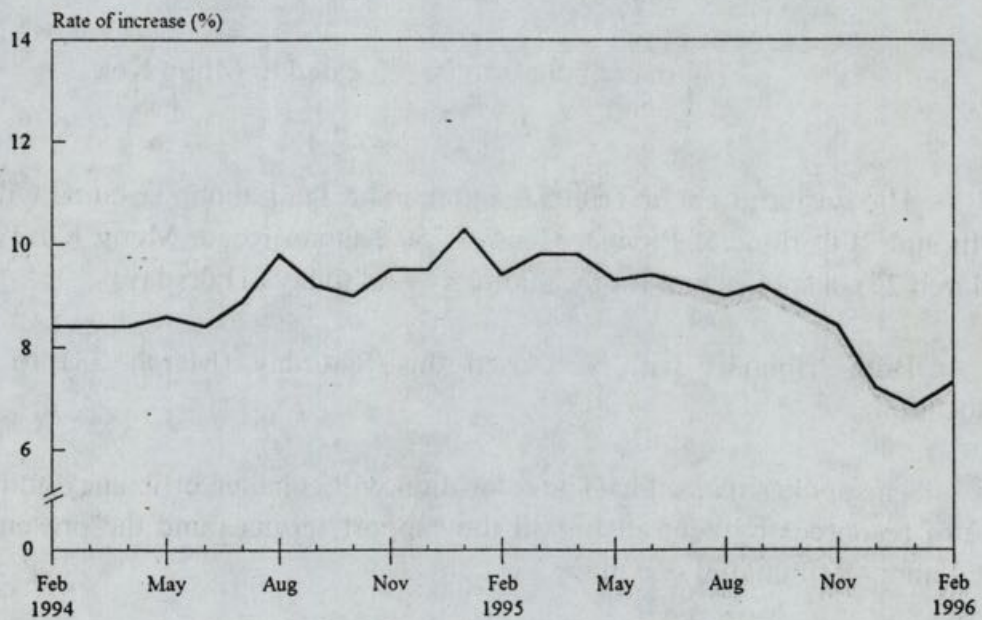


Chart 4 Year-on-year Rates of Increase
in Composite CPI



End

Commitment to bring VM issue to a close reaffirmed

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Talks were held in Hanoi yesterday (Wednesday) between the United Kingdom and Vietnamese government officials on Vietnamese migrant (VM) matters. The Hong Kong Government Refugee Co-ordinator, Mr Brian Bresnihan, was also present.

During his visit to Hong Kong earlier this month, the British Prime Minister, Mr John Major, pledged full UK support for an early resolution of the VM problem.

Mr Major also announced that he would be sending a senior Foreign Office official to Hanoi to hold discussions with the Vietnamese authorities in advance of the visit to Hanoi next month of the Foreign Office Minister, Mr Jeremy Hanley.

Building on exchanges which have taken place at recent technical talks between the Hong Kong and Vietnamese governments, both sides exchanged views on ways of accelerating the repatriation of the 19,000 VMs still in Hong Kong's camps.

The talks took place in a constructive atmosphere with both sides reaffirming their commitment to bringing the long standing VM issue to a close as soon as possible.

End

Labour tribunals to be relocated to Mong Kok

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The Eastern Labour Tribunal and the Sha Tin Labour Tribunal will be moved to 19th and 20th floor of Pioneer Centre, 750 Nathan Road, Mong Kok, from Monday (March 25), a spokesman for the Judiciary said today (Thursday).

Both tribunals will be closed this Saturday (March 23) to facilitate the relocation.

The spokesman said: "The relocation will enhance efficiency and maximise the use of resources by centralising all the support services and the present 10 courts of the Labour Tribunal in one place."

The Mong Kok site was selected for its convenient position, which is well served by a network of public transportation.

The Tribunal Registry and the Accounts Office will be open from 9.15 am to 1 pm and from 2 pm to 4.15 pm on weekdays, and on Saturdays from 9.15 am to 12.15 pm. A new hotline 2625 0205 will operate from Monday.

Reviewing the performance of the Labour Tribunal, the spokesman said significant improvements had been made.

"The backlog of 2,576 cases as at April last year has been cleared by the middle of this month. The appointment diary of 110 days in April 1995, before a claim may be filed, has been cleared.

"A claimant may file a claim in the Tribunal at any time without having to make an appointment," he said.

Nevertheless, the Tribunal is maintaining an appointment system for the claimant to see the Tribunal Officer in connection with the preparation of his case.

The spokesman said: "The system is maintained for the convenience and interest of the claimant. He can file his claim and see the Tribunal Officer on the same day without having to come on another occasion or without having to wait until a Tribunal Officer becomes available."

At present, the waiting time in the appointment register is about one week. This will also ensure that the referral from the Labour Department would have reached the Tribunal Officer before he interviews the claimant and the claimant to prepare his case.

"A claimant who files his claim without making an appointment will have the same hearing date as one who makes an appointment on the same day and then files his claim on the date of the appointment after seeing the Tribunal Officer. In both cases, their claims will be heard within 30 days," he said.

The spokesman attributed the improvements to procedural reforms, tighter control of the appointment diary, better case management, dedication of the presiding officers, tribunal officers and supporting staff in committing themselves to clearing the backlog.

The Tribunal also adopted a new philosophy in case management.

"Wherever possible, claims will be disposed of on the first call over either by way of settlement or by summary trials if the facts are not in dispute or if the issues in dispute are straight forward," he explained.

As a result, about three quarters of the cases are now concluded within 30 days. Those cases that cannot be disposed of at the call over stage will have to be adjourned to the fixture list for trial. At present the waiting time for trial is about 50 days.

"We plan to reduce this to about 30 days," the spokesman added.

The Eastern Labour Tribunal and the Sha Tin Labour Tribunal together handled a total of 7,645 cases last year, an increase of 28 per cent over that of 1994.

The spokesman said: "It is particularly encouraging that the Tribunal, apart from clearing the backlog in the appointment register, has managed to cope with the 28 per cent increase in caseload."

End

New appointments to HK Sports Development Board made

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The Governor has made the following appointments to the Hong Kong Sports Development Board for the period April 1, 1996, to March 31, 1998:

Chairman:	Mr John Terence Hung
Vice-Chairman:	Mr Timothy Fok Tsun-ting
Members:	Mrs Lai Wei Kit-lin, Minnie Mr Kong Churk-hoi, Billy Professor Chan Kai-ming Mr Pong Fai, Frank Mr Fan Kam-ping Mr Yau Po-wing, David Professor Fu Hoo-kin, Frank Secretary for Recreation and Culture, with Deputy Secretary (Recreation and Culture) and Principal Assistant Secretary (Recreation and Sports) as his alternates.

The following will continue to be ex-officio members of the Board:

Chairman of the Urban Council, or his representative
Chairman of the Regional Council, or his representative
President of the Amateur Sports Federation and
Olympic Committee of Hong Kong, or his representative

The Governor has also appointed Professor Chan Kai-ming as the Chairman of the Hong Kong Sports Institute Management Committee. The appointment will be for the period April 1, 1996, to March 31, 1998.

"We are most grateful to the outgoing Chairmen of the Hong Kong Sports Development Board and the Hong Kong Sports Institute Management Committee respectively. Mr David Gledhill and Major General Guy Watkins have both played a major role in shaping the future of sport in Hong Kong.

"Their invaluable contributions to the development of sport in Hong Kong are greatly appreciated," the Secretary for Recreation and Culture, Mr Chau Tak Hay said.

"In making new appointments to the Hong Kong Sports Development Board, our aim is to maintain a wide cross-section of representation from the sports community while retaining a good measure of business and special experience on the Board."

Mr Chau also stressed that the ex-officio members on the Board would continue to act as an essential link between the Board and the organisations which they represent.

The above appointments will be published in the Government Gazette tomorrow (Friday).

End

Representation to EC on anti-circumvention actions

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The Government has forwarded a written representation to the European Commission (EC) regarding the EC's anti-circumvention actions on 3.5-inch microdisks originating in Hong Kong and eight other countries imported into the European Union (EU), the Trade Department announced today (Thursday).

The Assistant Director-General of Trade, Miss Emma Lau, said: "The representation sets out our understanding of EC's objective and the facts leading to the initiating of the anti-circumvention actions, our comments on such actions and our strong appeal to the EC to terminate the case against Hong Kong immediately."

Miss Lau noted that the objective of the EC in initiating the anti-circumvention actions was to ensure correct collection of anti-dumping duties imposed on 3.5-inch microdisks originating in the People's Republic of China and Taiwan.

"As far as Hong Kong is concerned, the EC initiated the actions under a suspicion that certain 3.5-inch microdisks originating in the People's Republic of China and Taiwan were falsely declared of Hong Kong origin," she said.

"We cannot accept the deployment of anti-circumvention actions to tackle what basically is an alleged origin fraud problem.

"The actions taken are inappropriate and have indiscriminately subject all our manufacturers and exporters who are exporting 3.5-inch microdisks to the EU, to the anti-circumvention measures."

According to Miss Lau, such anti-circumvention measures include investigation and registration of their exports of the product in question upon entry into the EU:

The Assistant Director-General said the proper and legitimate channel to tackle a origin malpractice is for the EC to resolve the alleged problem through customs-to-customs co-operation.

"Hong Kong has rendered, and will continue to render, full co-operation to investigation requests from overseas customs administrations through proper, established and internationally agreed customs rules," she added.

Miss Lau pointed out that there were no multilateral basis for the EU to pursue the present anti-circumvention actions against Hong Kong.

"The actions taken are discriminatory, violate the EU's obligations under the World Trade Organisation Agreement and impair Hong Kong's benefits accruing to it directly or indirectly," she said.

"Furthermore, the Regulation on which the EC's actions were based, also lacks transparency and fails to spell out the nature and scope of the investigation."

Miss Lau strongly urged the EC to terminate immediately its anti-circumvention actions against Hong Kong.

"We note that findings of the EC's anti-circumvention investigation are expected to be submitted to its Anti-dumping Advisory Committee in late March and a decision may be made soon by the EC on whether or not to terminate the case against Hong Kong," she added.

The anti-circumvention measures against 3.5-inch microdisks originating in Hong Kong and eight other countries were initiated by the EC on October 20 last year. It is alleged that the anti-dumping duties imposed on 3.5-inch microdisks originating in the People's Republic of China and Taiwan were circumvented by imports of the product from Hong Kong and eight other countries.

As a result, 3.5-inch microdisk imports from Hong Kong and eight other countries are subject to a registration requirement following the initiation of an investigation.

Twenty-four Hong Kong companies are alleged to be practising circumvention. Should circumvention be established, the higher anti-dumping duties applicable to the People's Republic of China or Taiwan will be extended to those companies found involved in the circumvention.

The Hong Kong Government issued a Note Verbale to the EC on November 22 last year, raising its strong principled objection and subsequently held a round of informal bilateral consultations with the EC on February 6 this year in Brussels to find out more about the legal and factual bases of the EC's anti-circumvention actions against Hong Kong.

On the basis of the information gathered from the informal bilateral consultations, the Trade Department drew up Hong Kong's detailed comments on EC's anti-circumvention actions and issued a representation to the EC.

End

Governor visits Kwai Tsing District

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The Governor, the Rt Hon Christopher Patten, and Mrs Patten, visited Kwai Tsing District today (Thursday) to keep themselves abreast of the latest development in the district.

Accompanied by Director of Home Affairs Mrs Shelley Lau and Kwai Tsing District Officer Mr Ngai Wing-chit, Mr and Mrs Patten first arrived at Tivoli Anglo-Chinese Kindergarten at Tivoli Garden, Tsing Yi where they were warmly greeted with performances by the students.

The Tivoli Garden is the first housing project completed under the Sandwich Class Housing Scheme.

The Governor and Mrs Patten then proceeded to Yan Chai Hospital Mrs Kwok Yuk Cheung Care and Attention Home at Lai King, Kwai Chung where they watched elderly people receiving physiotherapy treatment.

Some residents at the home gave the visitors a demonstration on finger-print painting, Chinese calligraphy and paper-crane making.

The visiting party then proceeded to the rooftop of the home overlooking the Container Port and the Kwai Chung Section of the Route 3 Project and were briefed on their latest developments.

This was followed by a walkabout through Metroplaza shopping arcade in Kwai Fong and a reception where the Governor met with local district board members and community leaders.

End

Masters urged to navigate at safe speed

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The Marine Department today (Thursday) reminded masters, coxswains and persons-in-charge of vessels to comply at all times with the international regulations for preventing collisions at sea and to take extreme care when navigating in fog or heavy rain.

A Marine Department spokesman stressed that all vessels navigating in Hong Kong waters should proceed at a safe speed not exceeding applicable speed restrictions.

When deciding a safe speed, they should take the following factors into account:

- * the state of visibility;
- * the traffic density;
- * the manoeuvrability of the vessel;
- * the state of wind, sea and current and the proximity of navigational hazards;
- * the draught in relation to the available depth of water.

"Collision can be avoided by maintaining a sharp look-out and taking early action such as slowing down, altering course and generally practising good seamanship," the spokesman said.

If an accident occurs, it should be immediately reported to the Vessel Traffic Centre, callsign "Mardep", through very high frequency channel 12 or 14, or the Vessel Traffic Centre Duty Marine Officer's telephone 2858 2163.

Marine Department Notice No 30 of 1996 giving advice on safe navigation in Hong Kong waters can be obtained free of charge from the Port Formalities Office, Room 318, Harbour Building, 38 Pier Road, Hong Kong, or on the Marine Department Homepage on the Internet at <http://www.info.gov.hk/mardep>.

End

Eastern District by-election forum

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Local residents are invited to attend a District Board by-election forum for the Eastern District Kam Ping constituency organised by the Eastern District Office tomorrow (Friday).

The forum will allow the candidates to elaborate on their respective platforms and give residents an opportunity to engage in a floor discussion with them.

The candidates include Ms Leung Suk-ching, Ms Tsang Angela and Mr Shek Kwei-chun but the latter will not be able to attend the forum.

The forum will begin at 8 pm at the Causeway Bay Community Centre, 7 Fook Yum Road, Causeway Bay.

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	2,370	0930	+437
Closing balance in the account	2,638	1000	+437
Change attributable to :		1100	+433
Money market activity	+433	1200	+433
LAF today	- 165	1500	+434
		1600	+433

LAF rate 4.00% bid/6.00% offer TWI 123.6 *+0.0* 21.3.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.81	2 years	2802	5.16	98.53	6.08
1 month	5.02	3 years	3901	5.57	98.31	6.32
3 months	5.19	5 years	5103	6.75	99.90	6.89
6 months	5.27	7 years	7302	6.02	94.25	7.21
12 months	5.65	5 years	M502	7.30	101.20	7.11

Total turnover of EF bills and notes - \$22,330 million

Closed March 21, 1996

End