



DAILY INFORMATION BULLETIN

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Transcript of FS's media session

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Following is the transcript of the media session by the Financial Secretary, Mr Donald Tsang, after officiating at the Hong Kong Note Printing Ltd today (Monday):

Question: Do you agree with Newsweek Magazine which accused Hong Kong's tycoons of betraying their pro-democracy middle class?

FS: Well, I don't think the governor used exactly those words. I mean you've heard what the Governor said. I have very little more to add.

End

Amended Immigration (Amendment) Bill forwarded to LegCo

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In response to press enquiries, a government spokesman today (Monday) confirmed that an amended version of the Immigration (Amendment) Bill 1996 had been forwarded to the Legislative Council.

"We do not agree that the original Bill is contrary to our obligations under the International Covenant on Civil and Political Rights as applied to Hong Kong or that the Bill is unconstitutional in any way or provides for arbitrary or indefinite detention," the spokesman said.

"We have proposed an amended version of the Bill to allay any concerns that the Administration was seeking to impose unnecessary restrictions on the courts.

"The amended Bill in no way affects the court's ability to consider any evidence before it and to make its own judgment, while maintaining the objective of the original Bill."

End

Assistance for Yeung Hoi-keung being considered

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In response to press enquiries, a government spokesman today (Monday) confirms that the Government is actively considering ways to provide assistance for Mr Yeung Hoi-keung to help him tie over his financial predicament.

The solicitor representing Mr Yeung has already got in touch with the Secretary for Security directly.

"We accept that Mr Yeung's case deserves special consideration in recognition of his bravery as a good citizen in fighting crime by apprehending a jewellery shop robber in 1989.

"As a caring Government, we should provide every assistance to ensure a stable living for Mr Yeung and his family in the years to come," the spokesman said.

Accordingly, the Government is exploring the possibility of granting ex-gratia payment on compassionate ground under the Public Finance Ordinance.

In calculating the amount to be granted, the Government will take into account the need to ensure that Mr Yeung and his family can enjoy a stable living notwithstanding his disability.

As regards legal aid costs, the Director of Legal Aid intends to waive the costs although the exact amount has yet to be worked out.

The Director of Social Welfare will support an appeal by Mr Yeung to the Criminal and Law Enforcement Injuries Compensation (CLEIC) Board against the refund to CLEIC. The Board will consider this appeal urgently.

End

Gross domestic product for the Fourth Quarter of 1995

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Hong Kong's Gross Domestic Product (GDP) grew by 3.2% in real terms in the fourth quarter of 1995 over the same quarter in 1994, according to the preliminary estimates released today (Monday) by the Census and Statistics Department.

This modest growth was brought about by continued sluggish consumer spending, a slow-down in private sector investment expenditure and a decelerated growth in exports. For 1995 as a whole, GDP grew by 4.6% in real terms.

Amongst the major GDP components, re-exports registered a slower growth of 9.7% in the fourth quarter of 1995 in real terms over a year earlier, following strong increases in the first three quarters.

On the other hand, domestic exports decreased by 5.2% in real terms over the same period after recording increases for four consecutive quarters.

Exports of services increased by 9.1% in real terms over a year earlier, supported by continuing growth in tourism and trade-related services.

Imports of goods and services increased by 8% and 3.7% respectively in real terms in the fourth quarter of 1995 over a year earlier.

On investment spending, gross domestic fixed capital formation recorded an increase of only 2.4% in real terms, following a double-digit growth in the third quarter.

Within this component, construction output in the public sector increased by 7.2% while that in the private sector decreased by 5.8%. As a result, overall expenditure on construction showed little change from the fourth quarter a year earlier.

On the other hand, expenditure on machinery and equipment rose by 7.1% in real terms over a year earlier, showing a modest growth after the large increases in earlier periods.

The accumulation in stocks further moderated during the fourth quarter of 1995.

Consumer spending remained sluggish. Private consumption expenditure grew by only 0.8% in real terms in the fourth quarter over a year earlier.

The slow-down was mainly concentrated in spendings on motor vehicles and other durable goods, while spendings on consumer non-durables and on services recorded increases of 5.8% and 3.6% respectively in real terms.

Government consumption expenditure increased by 6.2% in real terms in the fourth quarter of 1995 over a year earlier.

The implicit price deflator of the GDP rose by 5% in the fourth quarter of 1995 over a year earlier. Excluding the effect due to change in terms of trade, the domestic demand deflator increased by 5.5% over the same period.

This relatively moderate increase was mainly due to the moderation in consumer prices, property prices, and import prices for machinery and equipment.

The estimates of GDP and its components for earlier periods are also revised to incorporate more up-to-date data. The real growth rate of GDP for 1994 was revised upwards from 5.4% to 5.5%.

Summaries of the latest GDP figures are presented in tables 1 and 2.

More detailed quarterly estimates of GDP from the first quarter of 1994 to the fourth quarter of 1995 are published in a report entitled "Quarterly Estimates of Gross Domestic Product 4th Quarter 1995".

This bilingual report is now on sale at \$8 per copy at the Government Publications Centre, Queensway Government Offices, Low Block, Ground Floor, 66 Queensway, Hong Kong.

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

Telephone enquiries may be directed to the National Income Branch (1) of the Census and Statistics Department on 2582 5077.

Table 1 Expenditure-based GDP Estimates
first quarter of 1994 to fourth quarter of 1995

<u>Year/quarter</u>	<u>GDP at Current Market Prices</u>		<u>GDP at Constant (1990) Market Prices</u>	
	<u>HKS Mn</u>	<u>% change over same period of the preceding year</u>	<u>HKS Mn</u>	<u>% change over same period of the preceding year</u>
1994	1,015,560	13.2	728,195	5.5
1995	1,111,244	9.4	761,921	4.6
1994 Q1	232,709	15.1	169,318	6.3
Q2	243,673	13.4	173,275	5.0
Q3	266,470	12.1	192,147	5.1
Q4	272,710	12.3	193,455	5.6
1995 Q1	260,324	11.9	179,152	5.8
Q2	265,636	9.0	182,217	5.2
Q3	289,727	8.7	200,957	4.6
Q4	295,557	8.4	199,596	3.2

Table 2 Expenditure-based GDP Estimates
Year-on-year growth rates, first quarter of 1994 to fourth quarter of 1995

Expenditure Components of GDP	% change over same period of the preceding year																			
	At current market prices										At constant (1990) market prices									
	1994					1995					1994					1995				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Private consumption expenditure	18.5	14.6	13.5	14.2	15.1	10.9	11.8	10.6	8.8	10.5	12.0	5.8	4.6	5.3	6.9	0.9	1.6	1.3	0.8	1.1
Government consumption expenditure	16.2	15.1	14.6	14.1	15.0	14.4	12.7	15.6	15.3	14.5	4.9	3.7	3.2	3.1	3.7	3.9	2.6	6.3	6.2	4.8
Gross domestic fixed capital formation	26.2	16.2	11.9	28.1	20.4	5.3	13.1	11.3	4.5	8.4	16.0	8.2	6.0	22.6	13.1	3.4	7.7	11.2	2.4	6.1
of which : Construction	23.5	17.0	20.0	21.6	20.7	3.4	19.0	6.7	9.3	9.1	17.3	11.5	18.4	17.4	16.3	-2.1	10.5	-2.1	-0.3	1.0
Machinery and equipment	16.0	7.3	2.9	42.3	16.7	28.2	31.3	44.5	9.8	27.2	12.4	6.5	1.2	36.7	13.9	19.1	15.0	35.7	7.1	18.3
Total exports of goods	8.6	11.3	12.6	14.1	11.8	20.1	16.7	15.3	8.9	14.9	7.7	11.3	10.8	11.3	10.4	17.6	12.7	12.2	6.8	12.0
Imports of goods	9.8	15.8	17.4	22.3	16.6	27.5	21.5	18.9	11.3	19.2	8.3	15.1	14.7	17.1	14.0	21.7	13.6	13.5	8.0	13.8
Exports of services	14.4	9.9	11.5	16.7	13.1	17.3	19.9	20.1	16.6	18.5	7.9	3.4	4.7	9.0	6.3	9.2	11.9	12.3	9.1	10.6
Imports of services	15.7	13.4	15.7	18.6	15.8	17.5	16.7	14.4	10.6	14.8	9.6	6.0	6.8	8.1	7.6	6.5	6.1	5.2	3.7	5.4
Gross Domestic Product	15.1	13.4	12.1	12.3	13.2	11.9	9.0	8.7	8.4	9.4	6.3	5.0	5.1	5.6	5.5	5.8	5.2	4.6	3.2	4.6

IRD initiatives facilitate tax filing

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The Inland Revenue Department (IRD) has launched a series of new initiatives to assist taxpayers in completing their tax returns and to answer any enquiries arising from tax related matters.

These include setting up floating enquiry centres at 13 different locations throughout the territories on May 25 and 26.

Disclosing the service package at a press conference today (Monday), the newly appointed Commissioner of Inland Revenue, Mr Wong Ho-sang, hoped that the initiatives would be able to alleviate the workload of IRD enquiry staff who had been overwhelmed by callers with questions on filling in tax returns in the past years, and satisfy the needs of the general public.

Last year, IRD had received a total of 534,000 telephone enquiries and 93,000 personal enquiries in the two months after the forms were issued.

This year, the department estimated that about 30% of the 1.8 million taxpayers who have to file their tax returns would need to seek further information and briefing on how to fill in the tax return.

The floating enquiry centres will be set up in 10 community centres throughout the territories on May 25 and 26, from 2 pm to 5 pm, while the three IRD enquiry centres will remain open at the same time for the public.

An IRD hotline 2594 5479 has been installed to give details on the service.

Furthermore, IRD has organised seminars for over 5,500 personnel and accounting staff members from private companies so as to enable them to handle enquiries on tax returns when approached by their own colleagues.

The department has also organised briefing sessions for staff manning the enquiry service counters at district offices and for the assistants to the councillors of the 3-tier councils .

IRD will soon go on the Internet. Its home page will include general information on how to file tax returns and its 24-hour telephone enquiries services with 59 lines will be strengthened by setting up 26 more lines as from this month.

Mr Wong also reminded the public that before lodging the tax returns, it was important to ensure the address was correct and that all the relevant parts were completed and duly signed.

End

HK to host APEC Regional Energy Co-operation meeting

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Over 70 officials from 17 economies will attend the 12th meeting of the Asia Pacific Economic Co-operation (APEC) Working Group on Regional Energy Co-operation (EWG) in Hong Kong tomorrow (Tuesday) and the day after.

EWG, which meets twice every year, is aimed at promoting co-operation on energy supply and demand issues in the Asia Pacific Region, a spokesman for the Electrical and Mechanical Services Department (EMSD) said today (Monday).

"The two-day meeting is being held in Hong Kong for the first-time. Our department, which has been representing Hong Kong at the EWG and its expert group meetings since mid-1992, will be the host.

"The meeting will commence tomorrow morning with an opening address by the Secretary for Economic Services, Mr Gordon Siu," he said.

The Deputy Director of EMSD, Mr Leung Cham-tin, will co-chair the meeting with the Executive Director of the Department of Primary Industries and Energy of Australia, Mr Russell Higgins.

Participating economies include Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Philippines, Singapore, Chinese Taipei, Thailand and the United States of America.

To achieve its goal, EWG has identified five "themes" which are of strategic importance to the Asia Pacific Region. The themes are Energy Supply and Demand; Energy and the Environment; Energy Efficiency and Conservation; Energy Research, Development and Technology Transfer; and Energy Exploration and Development.

Expert groups comprising technical specialists from individual member economies have been established under each of these themes.

End

Tender for the 13th issue of 2-Year exchange fund notes

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Tender for the 13th issue of 2-year exchange fund notes will be held on May 13 for settlement on May 14, the Hong Kong Monetary Authority (HKMA) announces today (Monday).

Similar to the previous issue, an amount of \$500 million 2-year notes will be on offer. In addition, another \$100 million will be held as reserve by HKMA for supply to market makers in the secondary market.

The notes will mature on May 14, 1998, and will carry interest at the rate of 6.3% per annum payable semi-annually in arrears.

Members of the public who wish to tender for the notes may do so through any of the market makers or recognised dealers on the published list which can be obtained from HKMA at 30th floor, 3 Garden Road, Hong Kong, or on Tel 2878 8150.

Each tender must be for an amount of \$50,000 or integral multiples thereof.

Tender information for the thirteenth issue of 2-Year exchange fund notes:

Issue number	: 2805
Tender date and time	: Monday May 13, 1996, 9.30 am to 10.30 am
Issue and settlement date	: Tuesday May 14, 1996
Amount on offer	: \$500 million plus an additional \$100 million as reserve stock for the Monetary Authority

- Maturity : Two years
- Maturity date : May 14, 1998
- Interest rate : 6.3% per annum payable semi-annually in arrears
- Interest payment dates : Nov 14, 1996, May 14, 1997,
Nov 14, 1997, May 14, 1998
- Tender amount : Each tender must be for an amount of \$50,000 or
integral multiples thereof. Members of the public who
wish to tender for the notes may approach market makers
or recognised dealers on the published list
- Other details : Please see Information Memorandum published or
approach market makers or recognised dealers

End

Government communications exercise

A government communications exercise will be held from May 22 to 24.

This is the latest of the routine exercises which are held periodically to test the use of both police and civil government communications networks.

There will be no deployment of police or other units on the ground during the exercise, and there will be no interference with traffic or inconvenience to the public.

End

Unlicensed guesthouse operator fined

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The operator and the manager of a guesthouse were fined a total of \$25,000 today (Monday) in South Kowloon Magistracy after pleading guilty to operating and managing an unlicensed guesthouse in Yau Ma Tei.

The operator of the guesthouse at 14 Tak Hung Street, whose certificate of exemption expired last November, had been reminded by officers of the Home Affairs Department's Licensing Authority to cease operation until a licence had been obtained.

However, during an inspection on the premises in January, the officers found that it was in operation without a licence, contravening Section 5 of the Hotel and Guesthouse Accommodation Ordinance.

A spokesman for the department said unlicensed guesthouses would not be tolerated and enforcement action would continue to be taken to eliminate such establishments to ensure public safety.

He also appealed to members of the public to help in the crackdown on unlicensed guesthouses by reporting them to the Licensing Authority on 2881 7034.

End

Hong Kong School Drama Festival

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The outstanding actor and actress at the Public Performance Phase of the Hong Kong School Drama Festival 1995-96 will be awarded a scholarship given by the Mountview Theatre School to attend a two-week summer course on drama in London, United Kingdom.

Education Department's Inspector (School Activities), Mr Lai Man-lai said: "This is the first time such prizes be awarded."

The travel expense is sponsored by the Lok Sin Tong Benevolent Society, Kowloon.

The winners of the scholarship will be announced at the Gala evenings at the Theatre, Sai Wan Ho Civic Centre, on Wednesday and Thursday (May 8 and 9).

The Lok Sin Tong Cup and the Director of Education Cup for the best performing primary and secondary schools will be presented at the ceremony.

Other prizes for best stage effect, original script, actors, actresses, directors, production diary and overall performance will also be awarded to the winning teams.

Seven schools with outstanding performances at the Public Performance Phase are invited to present their dramas in the Gala Evenings.

They are Yuen Long Long Ping Estate Wai Chow School PM, Mongkok Workers' Children School, Kiangsu and Chekiang Primary School, St Benedict's Secondary Technical School, Shatin Government Secondary School, Kwun Tong Government Secondary School and La Salle Primary School AM.

Four outstanding Chinese dramas will be presented in the first Gala Evening and three English dramas on the second one.

It is an annual event organised by the Education Department, jointly presented by the Urban Council and the Regional Council, and sponsored by the Lok Sin Tong Benevolent Society, Kowloon.

This year, a total of 4,227 students from 145 secondary schools and 42 primary schools participated in the festival.

Tickets at \$30 for Gala evenings are on sale at the URBTIX outlets. There will be a 50 per cent discount for students and persons aged 60 or above.

End

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 82.6 per cent of capacity or 464.263 million cubic metres.

This time last year the reservoirs contained 383.278 million cubic metres of water, representing 65.4 per cent of capacity.

End

Salt water cut in Sha Tin and Ma On Shan

Flushing water supply to all premises in Sha Tin and Ma On Shan will be temporarily suspended from 9am to 8pm on Thursday (May 9) for the replacement of a control valve.

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	1,970	0930	+431
Closing balance in the account	2,368	1000	+431
Change attributable to :		1100	+431
Money market activity	+431	1200	+431
LAF today	- 33	1500	+431
		1600	+431

LAF rate 4.00% bid/6.00% offer TWI 123.6 *+0.0* 6.5.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.91	2 years	2802	5.16	98.41	6.21
1 month	5.01	3 years	3904	6.30	99.23	6.70
3 months	5.16	5 years	5103	6.75	97.87	7.41
6 months	5.29	7 years	7302	6.02	91.28	7.83
12 months	5.65	5 years	M502	7.30	99.22	7.65

Total turnover of EF bills and notes - \$17,361 million

Closed May 6, 1996

End