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Government's decision on MPF primary legislation announced

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The Government today (Tuesday) announced a decision on the main features to be included in the primary legislation which will provide enabling provisions for the establishment of a mandatory provident funds system in Hong Kong.

This follows careful consideration of the many recommendations by the consultants and after seeking the advice of the Executive Council.

Announcing this at a press conference today, the Secretary for Education and Manpower, Mr Michael Leung reiterated that the main features contained few surprises as most of them had already been outlined in his speech to the LegCo debate on MPF in March.

Mr Leung took the opportunity to clarify some misconceptions which had arisen since the release of the consultants report last Friday.

On coverage, he pointed out that the proposed legislation would require all employees and self-employed persons, unless specifically exempted, to be covered by an MPF scheme.

"It is not right to claim, as some have, that the self-employed will not be covered. We agree with the consultants that it may be necessary to provide coverage in phases, but our goal is to cover the workforce as widely as possible," he said.

Mr Leung also refuted the claim that the Government would be excluding the less well paid from the scheme by setting an income floor at \$4,000 for the purpose of contribution.

"By setting an income floor, we are giving an opportunity to the low income group people to decide whether or not they want to contribute to an MPF scheme. If they do decide to contribute, then their employers will have to make a contribution as well. The choice is theirs," Mr Leung said.

For those contributors who are also recipients of the Comprehensive Social Security Assistance, Mr Leung said the Government would arrange for their MPF scheme contributions to be totally deducted from his assessable earnings in the calculation of the amount of assistance payable.

Commenting on criticism that the MPF system did little or nothing for those on the lower end of the economic ladder, Mr Leung cited the finding of the consultants' report which pointed out that even someone on \$4,000 a month, with a 40 years contribution history, could expect a return in excess of the 40% replacement income recommended by the World Bank.

"Furthermore, let us not forget that the MPF system is based on joint contributions, which means that every dollar an employee pays into the scheme will be matched by another dollar from his employer," Mr Leung said.

Turning to residual provident fund scheme, Mr Leung said although the consultants did not think it was necessary, the Government would include in the primary legislation the power to introduce such a scheme to provide coverage for those employees whose employers for one reason or another were unable to find a retirement scheme in the open market.

"The primary legislation will provide for the establishment of an MPF Authority to administer the scheme. We believe it should be part of Government, and have the flexibility to employ staff on non civil service terms," Mr Leung said.

The consultants estimated that the MPF Authority would require \$350 million to set up, and an annual recurrent cost of \$270 million for its ongoing activities.

In addition, the consultants estimated that in the first few years, further expenditure of \$1 billion would be incurred to cover such matters as public education, enhanced inspection to ensure compliance with the System, and dealing with existing ORSO (Occupation Retirement Schemes Ordinance) schemes.

"To demonstrate our commitment to implementing the MPF System, and subject to the approval of the Finance Committee, we believe it to be appropriate to contribute to these expenses through a lump sum capital grant of \$5 billion to the Authority. We believe that this, taken together with the interest generated from it and income from modest fees and charges on scheme providers, should provide adequate resources for the Authority to operate as a self-standing agency," Mr Leung said.

The compensation fund to be set up under the MPF legislation would cover all schemes, and would aim to make good some or all of the lost benefits in the event of benefit losses through fraud or other unlawful activity, Mr Leung said.

"The compensation fund will not cover losses due to poor investment strategy, as we believe very firmly that to do so would encourage the kind of investment behaviour that we are trying to avoid," he stressed.

"The compensation fund would be funded by levies assessed on the MPF Schemes, according to the size of their fund balances. In principle we accept the consultants' recommendation that there should be a Government grant or loan to help start up the fund. Government will therefore be seeking the approval of the Finance Committee for the amount of \$300 million to be used for this purpose," he said.

Mr Leung pointed out that the Government agreed with the consultants that trustees should be central party in the MPF system and provision for trusteeship would therefore feature in the primary legislation.

"Trustees will in fact be scheme administrators who will be responsible for all aspects of the scheme. They will be subject to the scope of duty imposed upon trustees by law, comparable to those with fiduciary duties," he added.

He reiterated that it remained the Government's aim to introduce the MPF System Bill into the Legislative Council in June and to have the Bill enacted before the end of the current session in July.

"The complex issues relating to the regulation of the MPF System will be dealt with in the subsequent subsidiary regulations to be made," Mr Leung added.

Mr Leung said the Government had considered a number of options, including those in the consultants' report on how to deal with the estimated 20,000 existing occupational retirement schemes which were currently subject to registration under the Occupational Retirement Schemes Ordinance.

"There are no perfect solutions, mainly because of the diverse nature of these schemes. Our objectives are very clear. On the one hand, we want to preserve existing entitlements of employees under these schemes and not to upset the contractual relationship between employers and employees.

"On the other hand, we do not want to create a permanent loophole through which the mandatory requirements of the MPF, particularly preservation can be continuously evaded.

"We have therefore come up with a very simple solution, that is to exempt the existing registered ORSO schemes from the requirements of the MPF System on two conditions," Mr Leung said.

To meet the exemption requirements, the overall employers' and employees' contributions in these schemes must equal or exceed the mandatory 10 per cent requirement of the MPF, with employers contributing no less than 5 per cent; and these schemes must not be open to new employees.

"In other words the existing schemes would be allowed to run their course with their existing members and would not be available as an alternative to MPF provision for new members. They will eventually phase out in favour of MPF-consistent arrangements," Mr Leung explained.

The broad principle of conditional exemption will be built into the primary legislation.

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Exco approves Kindergarten Subsidy Scheme

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The Governor-in-Council today (Tuesday) approved a scheme, which is estimated to cost \$83.42 million for a year, to subsidise Hong Kong's kindergartens starting from September this year.

The council also endorsed the introduction of one "harmonised" salary structure for kindergarten teachers and child care workers in day nurseries from this September.

Under the Kindergarten Subsidy Scheme, which will start this September, non-profit-making kindergartens (NPM KGs) will be eligible to apply for a subsidy based on a rate of \$695 per pupil per year, provided that the annual fee per pupil in the 1994/95 school year does not exceed \$8,300.

Both the subsidy rate and the annual fee cut-off point will be adjusted for inflation annually thereafter.

"For a standard NPM KG with 320 pupils, the subsidy will be \$222,400 per year. For an NPM KG with 80 pupils or less, a flat annual subsidy of \$55,600 will be paid," a Government spokesman said.

The spokesman pointed out that among other conditions, NPM KGs applying for subsidy will be required to meet the Government's requirements, produce audited accounts and pay their teachers according to the new harmonised scales.

The same criteria will apply to profit-making kindergartens (PM KGs), which may also apply for the subsidy provided, in addition, that they initiate action to convert to NPM status.

"PM KGs may apply for the subsidy for a transitional period of three years if they wish to convert to NPM KGs," the spokesman said.

"In order to be eligible for the subsidy for the second or subsequent year, PM KGs will have to show that substantive progress has been made in their conversion work in the preceding year to the satisfaction of the Director of Education.

"Conversion to NPM KGs is being encouraged in order to prevent the abrupt closure of those PM KGs operating at marginal profit thereby affecting the supply of kindergarten places."

The spokesman noted that the subsidy scheme would meet most of the cost increases on the part of kindergartens as a result of introducing the harmonised pay scales.

"However, we estimate that under the subsidy scheme, there will still be an average increase in school fees of about \$20 per month which has to be shouldered by parents," the spokesman said.

The endorsed harmonised pay scales set the entry qualifications for Child Care Workers and Qualified Kindergarten Teachers at Hong Kong Certificate of Education Examination with two passes, introduce a training rank and align the training period for both Child Care Workers and Qualified Kindergarten Teachers to about 360 hours in two years.

The harmonised pay scales are as follows:

KINDERGARTENS

DAY NURSERIES

Training rank

Untrained Kindergarten Teachers
(UKTs)
Training Pay Scale (TPS) 4-5/6
\$6,995-\$7,940

Trainee Child Care Workers
TPS 4-5/6
\$6,995-\$7,940

Qualified rank

QKTs
Master Pay Scale (MPS) 7-18
\$9,395-\$17,290

CCWs
MPS 7-17
\$9,395-\$16,475

Supervisor/Principal rank

KG Principals
MPS 14-22/24
\$14,220-\$20,955/\$22,975

CC Supervisors
MPS 14-22
\$14,220-\$20,955

No new scale is proposed for Qualified Assistant Kindergarten Teachers to whom the existing salary scale of MPS 3-11 will continue to apply until the rank is phased out in a few years' time.

The spokesman said the harmonised salary structure had received support in principle by the Working Party on Kindergarten Education and that the Legislative Council Welfare and Education Panels and the Social Welfare Advisory Committee had been consulted.

The spokesman stressed that arrangements would be made so that no existing kindergarten teacher or child care worker would receive less pay than at present as a result of converting to the new scales.

"As to those Qualified Kindergarten Teachers currently paid below the minimum point of the current scale at MPS 10, of which there are about 650, they have been expecting that their pay will be raised to that point upon the introduction of the Kindergarten Subsidy Scheme.

"Such expectation is not unreasonable and we shall ensure that as long as their kindergartens have joined the subsidy scheme, their pay is adjusted to MPS 10," the spokesman said.

"Arrangements have also been made to enable the new scales for child care workers to be introduced in September 1995 to coincide with those for kindergarten teachers.

"The introduction of the new pay scales for child care workers, together with the resultant allowances for child care workers in special and residential child care centres and the costs associated with additional training needs will require additional resources on a full-year basis of about \$56 million."

The spokesman said the new pay scales should be considered as a package to harmonise different salary scales of child care workers and kindergarten teachers.

"The provision of a new Training Pay Scale will give Unqualified Kindergarten Teachers an immediate increase in salary (\$565 per month) and increments while training (at present UKTs stay on MPS 1 for three years). This should go a long way to reduce the current high wastage rate of UKTs.

"The new Kindergarten Principal scale going well above the existing limit of MPS 18 should be welcomed since about one third of existing QKTs are in fact principals.

"Child care workers and Child Care Supervisors will receive increased salaries in recognition of their qualifications, training and responsibilities."

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Working party to review briefing out system

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The Attorney General, Mr Jeremy Mathews, said today (Tuesday) that he intended to set up a working party to conduct a comprehensive review of the Legal Department's system of briefing out work to private lawyers.

Speaking at a meeting with the Legislative Council Panel on Administration of Justice and Legal Services, Mr Mathews said the working party would be chaired by the Director of Public Prosecutions and comprise representatives from other relevant government branches.

He said he also intended to invite the Bar Association and Law Society to nominate representatives to sit on the working party.

Mr Mathews said since the briefing out system was started more than 30 years ago it had been an essential part of the criminal justice system in Hong Kong.

"It has worked extremely well and has provided the Legal Department with a safety valve to cope with fluctuating caseloads.

"It has also promoted the experience of the Bar in undertaking prosecution work and helped change the perception that all prosecutors must be government lawyers and the private Bar only represent the defence in criminal cases," he said.

"In general, the briefing out system has contributed to the development of the law in Hong Kong," he added.

Mr Mathews added that the Legal Department was always aware of the need to obtain value for money when briefing out, and was constantly seeking ways to improve upon efficiency and cost-effectiveness.

Nevertheless, he said the department fully recognised the concerns expressed recently in the Director of Audit's report and the internal audit report, which identified areas in relation to the briefing out system where improvements could be made.

"Bearing in mind the amount of money involved in briefing out, and the fact that we have never embarked on a comprehensive review of the system, I think it is not untimely to have one that will look at the way in which the briefing out system works, and improve upon its efficiency, cost-effectiveness as well as accountability," Mr Mathews said.

"I therefore intend to set up a working party, to be chaired by the Director of Public Prosecutions, to look at the briefing out system, including the briefing out of civil cases," he said.

The working party is expected to start work at the beginning of June and submit a report to the Attorney General by the end of this year.

In the meantime, Mr Mathews said the Legal Department would continue to implement the improvement measures to the briefing out system which had been introduced since January this year.

"We would also study the two reports carefully to see what further improvements should be made," he said.

Concerning the fees paid to counsel handling the Bumiputra Malaysia Finance Ltd. (BMFL) case, Mr Mathews said as head of the Legal Department, he accepted ultimate responsibility, as he always did, for what the department did and what went on in it.

"I have never disclaimed or shirked that responsibility. That is why I initiated the comprehensive audit which is being discussed by this Panel. That is why I am now here to answer questions and criticisms," he said.

Responding to queries about the number of cases that had been briefed out to former Legal Department counsel, Mr Mathews said during the last three years, 173 cases (costing \$32 million) had been briefed out to those who had left the department since the beginning of 1992.

"This is against a total of 3,565 cases briefed out during the same period at a total cost of \$336 million. This means that only 4.9 per cent of cases briefed out were given to those former Legal Department counsel. In terms of money paid, it is about 9.5 per cent, or 4.4 per cent if the BMFL case is excluded," Mr Mathews noted.

He added that during the past three years, there had been only three instances where Crown Counsel left the Department to practise at the private Bar and who had been instructed in cases they were involved with when in the department.

One of these three cases was the BMFL case, and the fees paid in respect of the other cases amounted to \$4.7 million, Mr Mathews said.

"In this context, as members will recall, we now have a six-month moratorium on counsel who leave us for the Bar receiving any work from the legal Department, save in exceptional circumstances," Mr Mathews added.

On Legislative Council members' concern whether there was any forward manpower planning to cope with the difficult staffing situation in the Legal Department's Commercial Crimes Unit during the early 1990S, Mr Mathews said a local recruitment exercise was held in March 1991 after nine lawyers had left the unit.

He said that exercise had been planned some months in advance and was another attempt to try to break out of the pattern of overseas recruitment which had been a feature of the Legal Department for many years.

This local recruitment exercise however was not very successful, he noted.

Mr Mathews said of 12 vacancies in the department (including eight in Prosecutions Division) only seven were filled.

"So we were forced to undertake an overseas recruitment exercise. Recruitment overseas, by its very nature, takes very much longer, and it was not until August 1991 that we could interview overseas candidates. Those selected did not actually start to take up their duties with us until February 1992," he said.

As regards Council members' concern about the Legal Department's inaction against the Government's "zero growth" policy in 1990, Mr Mathews said he warned at the time that since the Legal Department was basically demand led there might come a situation where the demand for legal services would outstrip the department's capacity.

"In the event we received no increase until 1993/94," Mr Mathews said.

On concerns about the time needed to approve and effect payment of counsel's fees, Mr Mathews said the Legal Department did not give favourable treatment to the processing of Mr Graham Grant's fee notes for payment.

"All counsel's fee notes are as a matter of practice certified and approved (i.e. countersigned) for payment within a few working days upon submission.

"Actual payment by the Director of Accounting Services, however, is effected after a few weeks when all standard accounting procedures have been completed.

"That is the practice for all cases and there were no exceptions in Mr Grant's case," Mr Mathews said.

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Public views sought on regulation for radio programming

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The fundamental philosophy the Government adopts in regulating the broadcasting industry in Hong Kong is one of "positive non-intervention".

This was stated by the Secretary for Recreation and Culture, Mr James So, when addressing the opening of the first of two public hearings on Commercial Radio licence renewal this (Tuesday) evening.

Mr So noted that this philosophy permeated throughout Hong Kong's economic and administrative activities and had served well in developing the territory into a free, prosperous and thriving city.

Applied to the broadcasting industry, this philosophy manifests itself in three broad principles.

"The first lies in protecting the interests of the viewing and listening public," the Secretary said. "In its simplest form, this means providing a wide choice of quality programming, to meet a wide range of interests and tastes at a cost which the community can afford.

"It also means that to ensure that programming is acceptable to the public, broadcasters are required to observe strict codes of practice relating to technical quality of broadcasts, programme and advertising contents issued by the Broadcasting Authority from time to time as part of the regulatory framework."

Secondly, the Government aims to put in place a regulatory framework that not only provides a level-playing field for different types of broadcasters freely to pursue their business in a fair and equitable environment, but also a framework which is flexible and attractive enough to reinforce Hong Kong's emerging position as a regional broadcasting hub in both radio and television.

The third principle relates to freedom of expression and information. In this regard, the Government has clear rules guarding against extensive cross ownership which may lead to monopolies, and against excessive foreign control through foreign ownership restrictions.

Mr So felt that to come out with just the right amount of regulation for radio programming could be a difficult balancing act.

"Community feedback and participation, through fora such as this evening's public hearing, will be instrumental to our striving to maintain this delicate balance," he urged.

The Commercial Radio's licence was granted in 1989 for 12 years and is subject to renewal by the Governor in Council not before August 26 this year.

The hearing is therefore aimed at allowing the Broadcasting Authority to evaluate the licensee's performance against the various statutory requirements and licence conditions before recommending any changes to these conditions.

The second hearing will take place on May 18 (Thursday), also from 6.30 pm to 9.30 pm at the lecture hall of the Hong Kong Science Museum in Tsim Sha Tsui.

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EPD to launch Air Pollution Index

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Starting on June 6, Hong Kong will for the first time have a daily air pollution index (API).

Announcing details of the index at a press conference today (Tuesday), Principal Environmental Protection Officer of the Environmental Protection Department, Mr Tse Chin-wan, said: "Timely information about air pollution levels will help increase the public awareness on air quality.

"The API system provides a simple and uniform way to report daily air pollution concentrations and serves as a basis for advising the public before the onset of air pollution incidents."

The API is based on the measurement of six air pollutants for which the Air Quality Objectives for Hong Kong have been established. These pollutants are nitrogen dioxide, sulphur dioxide, ozone, carbon monoxide, total suspended particulates and respirable suspended particulates.

"The measured air pollution concentrations are transformed into an index which ranges from 0 to 500," Mr Tse said.

For an API value between 0 and 100, the air quality is good to moderate.

When the API is between 101 and 200, the air quality is unhealthy. The air quality is very unhealthy if the API exceeds 200. However, the air quality in Hong Kong is in general in the range of "good" and "moderate".

"During the unhealthy days, people already suffering from heart or respiratory illnesses are advised to reduce physical exertion and outdoor activities," Mr Tse said.

"Days classified as 'very unhealthy' under the API system will be rare in Hong Kong. If, however, one were to occur then the general public would be advised to reduce the non-essential physical exertion and outdoor activities during the very unhealthy days."

To make it easier for the public to quickly identify the air pollution levels relevant to their particular location, the territory has been classified into three types of areas, urban, industrial and new development areas.

Urban area includes Central and Western, Wan Chai, Eastern, Kowloon City, Sham Shui Po, Wong Tai Sin and Yau Tsim Mong districts. Industrial area covers Kwun Tong, Kwai Tsing and Tsuen Wan districts while new development areas are the Islands, Southern, Sai Kung, Tuen Mun, Yuen Long, Sha Tin, Tai Po and North districts.

"API readings will be reported for each of the three types of area which may have different air quality on the same day," said Mr Tse.

The API will be issued to the media everyday, except on Sundays and public holidays. Past measurements have shown that air pollution is usually low on these days. Forecasts of the API for the following day will be included in the daily report.

Members of the public can obtain the API by calling 2827 8541. Leaflets explaining the API system are now available at EPD offices.

The development work for the API is sponsored by the Royal Hong Kong Jockey Club.

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Central to Mid-Levels escalator operation hours

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The Transport Department announces today (Tuesday) that the operation hours of the Central to Mid-Levels escalator will be extended to 11 pm on a permanent basis as from tomorrow (Wednesday).

A spokesman for the department said a one-month trial scheme had been implemented last month to extend the operation hours from between 6 am and 10 pm to between 6 am and 11 pm daily.

Head counts conducted at Stanley Street before and after the trial showed that an additional 300 to 400 persons had used the escalators during the one-hour extension everyday.

The Central and Western District Office also carried out an opinion survey between April 24 and 29. A total of 107 escalator users were interviewed, of them, 101 supported extending the operation hours to 11 pm.

Two relevant area committees, namely, Chung Wan and Sheung Wan, and Mid-Levels were consulted. The former suggested extending the trials for three more months to collect views from more users while the latter strongly supported that the extension be made permanent.

The spokesman said: " The Traffic and Transport Committee of Central and Western District Board also supported the extension of operation hours. In view of high usage and favourable local opinion, it is decided that the operation hours of the escalator services will be extended permanently."

He said appropriate notices would be displayed on the site and broadcast through the public address system to inform users of the new arrangement.

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Give blood, save lives

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Everyone knows that blood is the source of vitality. However, not everyone realises that it could also be a gift of life.

The Chief Secretary, Mrs Anson Chan, said this when officiating at the Hong Kong Red Cross Blood Transfusion Service Annual Donor Award Ceremony today (Tuesday).

The awarded donors have given blood for at least 25 times in Hong Kong.

Mrs Chan said community response to blood donation had been positive throughout these years: donated blood increased from 50,000 units in 1973 to over 172,000 units in 1994.

The proportion of local Chinese blood donors has grown during the same period from 71 per cent to 97 per cent.

"These donors are also becoming more evenly spread among people from all walks of life, indicating general acceptance of voluntary blood donation as a civic duty," she said.

The Chief Secretary showed appreciation to the regular blood donors for their generosity.

"You also play an active and important role in spreading the message of how by giving blood we can give others a new lease of life, in dispelling misconceptions and unfounded fears, as well as in giving the subtle encouragement that potential donors will need," she said.

Mrs Chan added that the Hong Kong Red Cross Blood Transfusion Service strove to safeguard the recipients of blood products against possible infection.

"It is reassuring to know that all blood samples collected are carefully screened against a host of known transfusion transmissible diseases to guarantee a high standard of medical care for the patients in Hong Kong."

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Kap Shui Mun Bridge main deck construction to start

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Construction of the Kap Shui Mun Bridge has passed the half-way mark and is poised to achieve a major milestone later this month with the start of deck formation work for the main span.

The first segment of the deck, a 500 tonne composite steel and concrete structure, is now scheduled to be lifted into position on May 22.

Excellent progress has been achieved on site during the past few months, said Mr C K Lau, Government Engineer of the Lantau Fixed Crossing Project Management Office of the Highways Department.

"The two concrete side spans on the Ma Wan and Lantau ends were completed in February and March respectively and the two bridge towers have reached their full height of 150 metres," he said.

Mr Lau said the bridge's main span will be formed by 39 prefabricated segments and will rise 45 metres above the water.

The steel frames for these segments are being fabricated off-site in Shekou, China. The first batch of frames for eight segments have been arriving on site since January this year and are being assembled and concrete added at the assembly yard on Lantau.

"The first bridge segment was completed yesterday and the stay cables for holding the bridge segments in position are now being installed at the two towers.

"The segments will be barged out to the Kap Shui Mun Channel from Lantau, lifted by a crane and connected at the bridge deck level," he said.

The main span will be erected segment by segment. Each segment is bolted to the next and held in position by a pair of stay cables connected to the upper section of the bridge towers. These cables are then secured to the side spans by a second pair of stay cables.

Mr Lau pointed out that the construction of the main span would take about 11 months. During this period the Kap Shui Mun Channel will be closed for one day a week to facilitate works. The marine traffic will be diverted to Ma Wan Channel instead.

"The Highways Department will be liaising closely with the contractor, the Marine Department and the Marine Police to minimise the impact on marine traffic," he said.

When completed, the Kap Shui Mun bridge will be 820 metres long with a main span stretching 430 metres across the channel between Lantau and Ma Wan. It will be Hong Kong's first cable-stayed road bridge with the world's longest span carrying both road and rail traffic.

The double-decked bridge will carry six lanes of expressway on the upper deck and two rail tracks and two single traffic lanes on the enclosed lower deck for use in bad weather.

Together with the 2.2 kilometre long Tsing Ma suspension bridge, it will form part of the Lantau Fixed Crossing on the 34 kilometre long highway network of the Airport Core Programme linking the new airport at Chek Lap Kok and the Tung Chung new town to urban Kowloon and Hong Kong.

The Kap Shui Mun Bridge and the viaduct on Ma Wan are being built by the Kumagai-Maeda-Yokogawa-Hitachi Joint Venture under a \$1.6 billion design and construct contract awarded by the Highways Department in November 1992.

The bridge is on schedule for completion in May 1997.

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Volume and price movements of external trade in February

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In the first two months of 1995, the volume of re-exports increased by 19% over the same period last year, while the volume of domestic exports increased by 12%, according to the statistics released today by the Census and Statistics Department.

Taking re-exports and domestic exports together, the volume of total exports increased by 18%. Meanwhile, imports increased by 22% in volume.

The growth in the volume of trade is derived from the growth in trade values with the effect of price changes being discounted.

As regards price changes over the same period of comparison, the prices of re-exports and domestic exports increased by 3.1% and 1.8% respectively. Import prices increased by 5.2%.

Price changes are reflected by changes in unit value indices, which are compiled based on average unit values or, for certain commodities, based on specific price data.

The terms of trade index, defined as the ratio of total export price index to import price index, decreased by 2.2% in the first two months of 1995 over the same period last year.

Caution should be exercised in interpreting the changes in the volume of trade for a single month at the beginning of each year which may be affected by the timing of the Lunar New Year holidays. It is more meaningful to make comparisons over a longer period.

The changes in the value, unit value and volume of re-exports by end-use category are shown in Table 1.

Comparing February 1995 with February 1994, the volume of re-exports of most of the end-use categories recorded increases of various magnitudes: fuels (+66%), capital goods (+38%), raw materials and semi-manufactures (+36%), and foodstuffs (+7.9%).

On the other hand, the volume of re-exports of consumer goods decreased by 2.5%.

Over the same period of comparison, increases in the prices of re-exports were noted of all end-use categories: fuels (+8.4%), raw materials and semi-manufactures (+7.8%), foodstuffs (+2.3%), consumer goods (+2.3%) and capital goods (+0.4%).

The changes in the value, unit value and volume of domestic exports by principal commodity group are shown in Table 2.

Comparing February 1995 with February 1994, commodity groups which recorded increases in volume of domestic exports included electronic components (+39%); metal ores and scrap (+16%); and textile yarn and thread (+11%).

On the other hand, the volume of domestic exports of footwear and textile made-ups and related articles decreased by 60% and 14% respectively.

Commodity groups which recorded increases in domestic export prices included textile made-ups and related articles (+14%); and metal ores and scrap (+7.4%).

On the other hand, the domestic export price of travel goods, handbags and similar articles decreased by 5.2%.

The changes in the value, unit value and volume of imports by end-use category are shown in Table 3.

The import volume of foodstuffs decreased by 5.7% in February 1995 compared with February 1994.

Significant decreases in the import volume were noted of rice; and live poultry. However, increases in the import volume were noted of soya bean oil, peanut oil, vegetable oil and lard; milk, butter, cheese and eggs; and meat and meat preparations.

Over the same period of comparison, the import volume of consumer goods increased by 3.2%.

Significant increases in import volume were recorded in radios, television-sets, gramophones, records, tape recorders and amplifiers; and cameras, flashlight apparatus and supplies for photography. However, decreases in the import volume were noted of tobacco manufactures; and passenger motor cars.

The import volume of raw materials and semi-manufactures increased by 34% in February 1995 compared with February 1994.

Significant increases in import volume were noted of chemical elements and compounds; and yarn of man-made fibres. However, the import volume of inedible animal and vegetable materials declined.

Imports of fuels decreased by 9.1% in volume in February 1995 compared with February 1994.

As regards capital goods, the import volume increased by 46% in February 1995 over February 1994.

Notable increases were recorded in the import volume of office machines; transport equipment; electrical machinery and scientific, medical, optical, measuring and controlling instruments and apparatus. The import volume of construction machinery however declined.

Comparing February 1995 with February 1994, the import prices of all end-use categories increased : raw materials and semi-manufactures (+7.9%), foodstuffs (+5.0%), consumer goods (+3.7%), fuels (+3.3%) and capital goods (+2.5%).

Details of the above statistics are published in the February 1995 issue of the "Hong Kong Trade Index Numbers".

The report will be available on sale around May 11 at HK\$14 per copy at either the Government Publications Centre on the ground Floor, Low Block, Queensway Government Offices, 66 Queensway; or the Publications Section of the Census and Statistics Department on the 19th Floor, Wanchai Tower, 12 Harbour Road, Wan Chai.

Enquiries regarding regular subscription to this report may be directed to the Publications (Sales) Office of the Information Services Department at 28th floor, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong (Tel 2598 8194) and enquiries on trade indices to the Census and Statistics Department on 2582 4918.

Table 1 : Changes in re-exports by end-use category

End-use category	Comparing FEB 1995 with FEB 1994			Comparing JAN-FEB 1995 with JAN-FEB 1994		
	% changes			% changes		
	Value	Unit Value	Volume	Value	Unit Value	Volume
Foodstuffs	8.2	2.3	7.9	32.7	2.5	30.8
Consumer goods	-1.0	2.3	-2.5	10.0	1.7	8.8
Raw materials and semi-manufactures	47.7	7.8	36.4	38.4	7.4	28.6
Fuels	70.4	8.4	65.8	68.4	6.0	63.4
Capital goods	35.5	0.4	38.0	30.5	0.6	33.0
ALL COMMODITIES	17.9	3.5	15.4	21.4	3.1	19.0

Table 2 : Changes in domestic exports by principal commodity group

Commodity group	Comparing FEB 1995 with FEB 1994			Comparing JAN-FEB 1995 with JAN-FEB 1994		
	% changes			% changes		
	Value	Unit Value	Volume	Value	Unit Value	Volume
Clothing	-5.8	1.5	-7.5	6.1	1.2	4.9
Textile fabrics	-1.1	5.9	-6.2	-1.5	4.7	-5.8
Textile yarn and thread	17.0	5.3	11.0	8.4	2.0	5.6
Textile made-ups and related articles	-1.5	14.2	-14.1	-7.3	14.9	-21.3
Radios of all kinds	-15.7	*	*	-48.3	-0.3	-40.9
Electronic components	40.5	3.9	39.1	45.4	4.0	43.7
Footwear	-58.4	0.4	-60.2	-61.5	-0.4	-62.6
Metal manufactures	5.9	2.5	5.0	3.6	1.0	4.8
Metal ores and scrap	34.0	7.4	15.7	50.3	5.9	34.5
Watches and clocks	-8.1	2.6	-11.2	15.4	3.0	11.6
Travel goods, handbags and similar articles	-3.8	-5.2	4.2	-2.1	-4.0	3.0
Domestic electrical appliances	5.6	1.1	6.3	-7.7	-0.5	-6.9
ALL COMMODITIES	9.5	1.8	7.5	14.4	1.8	12.1

* less than 0.05%

Table 3 : Changes in imports by end-use category

End-use category	Comparing FEB 1995 with FEB 1994			Comparing JAN-FEB 1995 with JAN-FEB 1994		
	% changes			% changes		
	Value	Unit Value	Volume	Value	Unit Value	Volume
Foodstuffs	-1.1	5.0	-5.7	22.5	4.9	16.8
Consumer goods	5.7	3.7	3.2	14.6	4.2	11.0
Raw materials and semi-manufactures	45.1	7.9	34.4	36.4	7.9	26.2
Fuels	-1.9	3.3	-9.1	53.2	0.8	49.0
Capital goods	49.3	2.5	45.5	45.6	3.1	41.1
ALL COMMODITIES	25.7	4.9	20.1	28.2	5.2	22.2

End/Tuesday, May 9, 1995

Jockey Club \$3.7M donation for arts groups accommodation

Eight local arts groups will shortly be housed under one roof following a donation from the Hong Kong Jockey Club Charities Trust.

At a ceremony this (Tuesday) morning, Mr John Markwell, representing the Royal Hong Kong Jockey Club, presented a cheque for \$3.7 million to the Commissioner for Recreation and Culture, Mrs Rachel Cartland, who received it on behalf of the Government.

The sum will enable the Government to renovate a vacant school building in Shek Lei Estate, Kwai Chung, for use by the eight arts groups. They are the Actors' Family, Hong Kong Artists' House, Hong Kong Dance Federation, Hong Kong Festival Fringe, Hong Kong Movie and TV Theatrical Society, Musical Company, Theatre Resolu and the Hong Kong Youth Arts Festival Society.

Mrs Cartland noted that in line with its policy of supporting arts development, the Government as and when it could provided temporary and surplus Government accommodation for local arts groups at nominal rent.

"However, finding suitable accommodation is always a major headache for arts groups," she said. "We hope that with this worry removed, these groups will become even more creative and make an even bigger contribution to the lives of people in our community.

"We also believe that the different groups will enjoy the interaction arising from being housed together, that Shek Lei Estate will be brightened up by renovation of an unused building and that local residents may be encouraged to participate in arts activities," she added.

The vacant school has a total floor space of 1,500 square metres. It has been identified by the Government as suitable for housing arts groups provided it is upgraded to an acceptable standard.

Renovation works on the building will start soon and will take a few months to complete.

End/Tuesday, May 9, 1995

Suspected tiger medicines seized

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The Agriculture and Fisheries Department (AFD) seized a large quantity of Chinese medicines claiming to have contain tiger ingredients during an operation on Hong Kong island yesterday (Monday).

Acting on information, AFD officers conducted a search on a Wan Chai Chinese medicine trading company yesterday morning and seized a total of 841 small packets of medicines claiming to contain tiger ingredients.

The medicines, consisting of two types, are estimated to be valued over \$400,000.

Investigations are still continuing.

An AFD senior conservation officer, Mr Chan Jee-keung said yesterday's raid was one of the many operations conducted by the department aimed at enforcing the related legislation to protect endangered species.

During the first three months of this year, some 70 Chinese medicinal shops were searched by AFD resulting in the seizure of endangered items from 56 of them, Mr Chan said.

"Seized specimens in these operations included claimed rhino and tiger parts, medicines claiming to contain rhino or tiger ingredients, claimed or suspected bear gall bladders and bear bile powder as well as other endangered species items," he said.

In the same period, some 72 prosecutions were made under the Animals and Plants (Protection of Endangered Species) Ordinance resulting in a total fine of \$230,000.

In a related development, Customs and Excise officers early this morning seized a total of 35 kg of ivory, illegally imported into Hong Kong. The seizure was made on board a cargo ship from Macau. The seized items, valued at about \$200,000, have been handed over to AFD for follow-up investigations.

Mr Chan also took the opportunity to remind traders and members of the community that the maximum penalty under this ordinance had been substantially increased since mid-January this year.

If offences involve highly endangered species such as tiger, rhino and some species of bear, or their parts and derivatives, for commercial purpose, the maximum penalty is \$5 million fine plus two years' imprisonment.

End/Tuesday, May 9, 1995

The weather of April

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There was less than normal rainfall in April. The monthly rainfall of 76.3 millimetres was 53 per cent below the average for April. The total rainfall in the first four months amounted to 162.9 millimetres, 46 per cent below the normal of 299.8 millimetres for the same period.

On the whole April was a little warmer than normal with a mean air temperature of 22.5 degrees. The heavy rain on April 19 necessitated the issuance of the flood warning for the first time this year.

Under the influence of the northeast monsoon, the first two days of the month were cloudy and cool with rain. Winds strengthened on April 3 and there were periods of rain. Temperatures dropped to the month's lowest of 14.5 degrees early that morning. There was no rain in the next couple of days but the weather remained overcast.

As winds became light on April 6 and 7, the weather turned humid with mist and rain patches. Apart from some morning fog, it was warm with sunny periods from April 8 to 10. A collision between two Taiwan cargo vessels occurred in poor visibility about 12 kilometres southeast of Waglan Island on April 11. One crewman died and four others were reported missing in the incident.

In the next couple of days, it was generally cloudy with morning mist. With the arrival of a warm southerly airstream, the daily minimum temperature on April 14 rose by more than five degrees as compared to that of the previous day. The weather remained warm with long periods of sunshine from April 15 to 18.

A very active trough of low pressure traversed the south China coast on the evening of April 19 and brought heavy, thundery and squally showers to the territory. Between 6 and 7 pm on that day, over 60 millimetres were recorded in the northeastern part of the New Territories. Hail was also reported in Tai Po. Forty-three cases of flooding were reported in the territory. There was also a landslide at Tai Wo Ping.

An easterly airflow brought cooler weather on the following day. However, in the next three days, temperatures were on the rise and the month's highest temperature of 30.2 degrees was reached on the hot and sunny afternoon of April 23. A spell of fine and warm weather persisted from April 24 until the end of the month.

There was only one tropical cyclone over the western North Pacific and the South China Sea in the month of April.

Details of the issuance/hoisting and cancellation/ lowering of various warnings/signals in the month are summarised in Table 1.1. Monthly meteorological figures and departures from normal of April are tabulated in Table 1.2.

Table 1.1 Warnings and signals in April 1995

Warnings / Signals	Effective date and time
<hr/>	
Strong Monsoon Signals	2 Apr 2230 - 3 Apr 1345 3 Apr 1930 - 4 Apr 0900
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Flood Warning	19 Apr 1830 - 19 Apr 2030
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Thunderstorm Warnings	7 Apr 1125 - 7 Apr 1525 19 Apr 1745 - 19 Apr 2145 30 Apr 1430 - 30 Apr 1630
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Fire Danger Warning	
Red	5 Apr 0600 - 5 Apr 1815
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Table 1.2 Figures and Departures from Normal - April 1995

Total Bright Sunshine	142.9 hours ; 34.0 hours above normal
Mean Daily Global Solar Radiation	13.49 MJ/m ² ; 0.35 MJ/m ² above normal
Total Rainfall	76.3 mm ; 85.2 mm below normal
Mean Cloud Amount	81 % ; 3 % above normal
Mean Relative Humidity	85 % ; 2 % above normal
Mean Daily Maximum Temperature	25.1 °C ; 0.2 °C above normal
Mean Air Temperature	22.5 °C ; 0.3 °C above normal
Mean Daily Minimum Temperature	20.7 °C ; 0.5 °C above normal
Mean Dew Point	19.8 °C ; 0.8 °C above normal
Total Evaporation	92.0 mm ; 14.9 mm below normal

Remarks: All measurements were made at the Royal Observatory except sunshine, solar radiation and evaporation which were recorded at King's Park.

End/Tuesday, May 9, 1995

Hong Kong Monetary Authority tender results

Tender date	9 May 95	9 May 95
Paper on offer	EF bills	EF bills
Issue number	Q519	H564
Amount applied	HK\$6,540 MN	HK\$3,010 MN
Amount allotted	HK\$1,500 MN	HK\$800 MN
Average yield accepted	5.68 PCT	5.85 PCT
Highest yield accepted	5.68 PCT	5.85 PCT
Pro rata ratio	About 75 PCT	About 88 PCT
Average tender yield	5.75 PCT	5.87 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning May 15, 1995

Tender date	15 May 95	16 May 95	16 May 95
Paper on offer	EF notes	EF bills	EF bills
Issue number	2705	Q520	Y589
Issue date	16 May 95	17 May 95	17 May 95
Maturity date	16 May 97	16 Aug 95	15 May 96
Tenor	2 years	91 days	364 days
Amount on offer	HK\$500+100 MN	HK\$1,500+300 MN	HK\$500+150 MN
Coupon	6.40 PCT		

End/Tuesday, May 9, 1995

Hong Kong Monetary Authority money market operations

	\$ million	Time (hours)	Cumulative change (\$million)
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Opening balance in the account	1,371	0930	+1174
Closing balance in the account	1,486	1000	+1174
Change attributable to :		1100	+1154
Money market activity	+1,155	1200	+1155
LAF today	-1,040	1500	+1155
		1600	+1155

LAF rate 4.25% bid/6.25% offer TWI 118.0 *+0.1* 9.5.95

Hong Kong Monetary Authority

EF bills

EF notes/Hong Kong Government bonds

Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.63	19 months	2611	6.90	100.99	6.30
1 month	5.65	22 months	2702	7.50	101.99	6.40
3 months	5.75	30 months	3710	7.25	101.57	6.66
6 months	5.83	36 months	3804	6.90	100.48	6.83
12 months	6.01	59 months	5003	7.75	102.35	7.29

Total turnover of bills and bonds - \$ 14,066 million

Closed May 9, 1995

End/Tuesday, May 9, 1995