



DAILY INFORMATION BULLETIN

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BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

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<u>Contents</u>	<u>Page No.</u>
Transcript of Governor's media session	1
STI to attend ministerial meeting	3
Code for education profession relating to LegCo election	4
School transport permits	5
1996 Lunar New Year fireworks display approved	6
Water storage figure	6
Tender for the 5th issue of 5-year EF notes	7
Hong Kong Monetary Authority money market operations	8

Transcript of Governor's media session

Following is the transcript of the Governor, the Rt Hon Christopher Patten's media session after a function at Hong Kong Club today (Monday).

Question: Good afternoon, Governor, haven't seen you for a long time.

Governor: You should have come out to Sha Tin last week where you would have seen me and you'll see me again tomorrow afternoon at the Boundary and Election Commission.

Question: I would just want to ask a question, on behalf of them, your reaction to the Han Dongfang affair?

Governor: As you know, Mr Han is in Hong Kong because he was thrown out of China, and because his passport hasn't been returned to him. So we're not responsible. If the Chinese authorities would return Mr Han's passport and let him go back to China that would sort out the issue straight away. And I am sure it would please Mr Han. In the meantime, he's living in Hong Kong and if there are problems, I think the Chinese officials themselves should sort them out.

Question: But the NCNA official criticised the Hong Kong Government for shielding him and let him stay in Hong Kong.

Governor: What do they want to do? I repeat, they threw him out of China, and they took his passport away, so where he is supposed to go?

Question: Can you talk about this debate? What did you tell the British businessmen?

Governor: I've had a number of meetings with businessmen over the last three-and-a-half years. I have spoken to most of the chambers of commerce, some of them several times. Sometimes on the record, sometimes off the record. And I was answering questions today about issues like Hong Kong's competitiveness, about the economic prospects, about the prospects for Hong Kong's autonomy beyond 1997 and setting out a number of arguments with which I think the former Legislative Councillor and all of you would be familiar, because they're all arguments that I've put before. My main argument, in reply to questions, was that we do have to be concerned to keep up our international competitiveness. There have been admittedly some encouraging reports recently, the World Economic Forum report, saying that we were the third most competitive economy in the world, the business magazine which said we were the most business-friendly, and the Heritage Foundation are about to produce a report saying that we are the freest economy in the world. But that doesn't mean we can be complacent. We still got problems to tackle, problems of cost. We've got to ensure that our services develop as rapidly as possible and Donald Tsang, the new Financial Secretary is determined what to do what he can to provide support there, and we've got to hang on to the fundamentals which have given us years of growth, sound public finances, a low taxation, minimal intervention in the economy. So those were the sort of messages that I was spelling out.

Question: What sort of assurances could you give them about the two major problems in Hong Kong, inflation and unemployment?

Governor: I pointed out to them that inflation in the year before I came to Hong Kong, had been running at 13.5 per cent, it's now somewhere between 8.5 and 9.5 per cent. Still too high. It still means that we've got to all we can to bear down on our costs. But certainly some improvements. I think it reflects some of the special nature of our position not least in relation to land and to labour supply. On unemployment, I pointed out that the labour supply in Hong Kong has increased by 4.1 per cent over the last year which is the biggest increase that we've seen for the last decade I think. At the same time, the number of people in employment has increased by 2.7 per cent, but the gap between those two has contributed to the rise in unemployment. There have been a lot of people coming back to Hong Kong, having been away before. And I think that has been one of contributory factor to the increase in the labour supply. What we're trying to do through labour market measures like the increase in the provision for our job placing scheme, like the improvements in the retraining, what we are trying is to make the labour market more flexible and to get people back into work as quickly as possible. But we're also reviewing the Labour Importation Scheme and we'll have the results of that in the course of the autumn. One last question.

Question: Many people will say : Why is Mr Patten meeting British businessmen six days or seven days before the elections? Is there something going on?

Governor: People would only say that if they were extremely silly and very conspiratorial and I am sure that that doesn't go for any of you. I am meeting British businessmen for the same reasons that I've met American, Australian, French, that I've met businessmen from every part of this community and will go on meeting businessmen. I've spoken to businessmen in public at meetings organised by newspapers and periodicals. I've spoken to businessmen in private at meetings organised by journals and newspapers. So I've met businessmen regularly, will continue to do so and sometimes at their requests it's on record, sometimes at their requests it's off the record. But I say the same thing as you know in public that I say in private and in private that I say in public.

Question: Do you expect ... the turnout for this week's elections?

Governor: I hope it will be as encouraging as it was for the District Board and Municipal Council elections. Obviously, the important thing is the number of people who go out to vote. We've got far more people registered to vote. So you've to have only the same turnout rates to see a very large increase in the number of people actually voting. That's by and large what happened in the District Board and Municipal Council elections. I think there's been a lot of interest in these elections and so far as you know the debate has been conducted in a pretty reasonable and moderate way. Thank you very much.

End/Monday, September 11, 1995

STI to attend ministerial meeting

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The Secretary for Trade and Industry, Mr Chau Tak-hay, will leave tomorrow (Tuesday) to attend the Asia-Pacific Economic Co-operation (APEC) Ministerial Meeting on Small and Medium Enterprises (SME).

The meeting, to be held in Adelaide, Australia, on Thursday and Friday (September 14 and 15), is the second APEC SME Ministerial Meeting. The last one was held in October last year in Osaka, Japan.

Subjects to be discussed include the impact of a free trade environment on SMEs and the major problems encountered by the SMEs. It is expected that the APEC Ministers will endorse a programme of actions to be carried out by APEC to address these problems.

SME Ministers will also exchange views with representatives from the private sector of the APEC economies on issues related to SMEs.

Dr Sara Liao, Mr Hogan Loh and Mr Anthony Au from Hong Kong's business sector will participate in the discussion with Ministers.

While in Adelaide, Mr Chau will hold informal bilateral discussions with some of his counterparts from other APEC economies to exchange views on trade and economic issues of mutual concern. So far, such meetings have been arranged with Australia, Mexico, the USA and Chinese Taipei.

Other government officials accompanying Mr Chau include the Director-General of Industry, Mrs Regina Ip; the Director of Hong Kong Economic and Trade Affairs, Sydney (Des), Mr Philip Chok; and the Assistant Director-General of Industry, Mr H H Wong.

End/Monday, September 11, 1995

Code for education profession relating to LegCo election

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The Council on Professional Conduct in Education has issued a circular to school heads and teachers drawing their attention to sections in the Code for the Education Profession of Hong Kong regarding electioneering activities in schools.

A spokesman for the council noted that with the approach of the Legislative Council elections, some schools might like to organise civic education programmes relating to the elections.

The spokesman reminded school heads and teachers that according to the Code for the Education Profession of Hong Kong, a member of the profession should as far as possible adopt an objective viewpoint in discussing controversial matters with students.

Members of the education profession should encourage students to think independently and to form their own rational judgement based on knowledge.

At the same time, members of the education profession should not take advantage of their professional relationships with students for private gains.

They should teach students to respect different positions and opinions in matters over which public opinion is divided, the spokesman said.

The council believed that observing the relevant sections of the Code would help promote civic education that is balanced, objective and conducive to the development of independent and critical thinking in students, the spokesman added.

End/Monday, September 11, 1995

School transport permits

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In response to press enquiries on media reports on the applications for permits for school buses and nanny vans, a Transport Department spokesman said today (Tuesday) that a total of 456 valid permits up to date have been issued to school buses and nanny vans for picking up and setting down school children in restricted zones in the territory.

The successful rates for such applications are 97.1 per cent for 1994 and 88.3 per cent for 1995 (up to Mid-August) (see table below).

The main reasons for rejecting applications are:

- (a) alternative location is available nearby
- (b) proposed stopping place is being considered as dangerous
- (c) proposed stopping place, if approved, would very likely cause traffic obstruction

Permits issued for school buses and nanny vans

% of success	No of permits applied	No of permits approved
94 (Jan - Dec) 97.1%	581	564
95 (Jan - Mid-Aug) 88.3%	349	308

End/Monday, September 11, 1995

1996 Lunar New Year fireworks display approved

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The Fireworks Vetting Committee has endorsed an application from Li & Fung (1937) Limited to stage a fireworks display of 25 to 30 minutes during the Lunar New Year in 1996, a spokesman for the Recreation and Culture Branch announced today (Monday).

The display will be staged over Victoria Harbour from 8 pm on February 20, 1996 (Tuesday), the second day of the Lunar New Year.

"In case of inclement weather, the display will be postponed to the following day (February 21, 1996), which is the third day of the Lunar New Year," the spokesman said.

The coming display will be the 15th Lunar New Year fireworks display sponsored by the private sector since 1982. As in the past, the Urban Council will co-organise the event.

"We are delighted that with this sponsorship, the community will once again be able to enjoy the spectacle of a fireworks display during the Lunar New Year festivities," the spokesman added.

End/Monday, September 11, 1995

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 95.1 per cent of capacity or 557.580 million cubic metres.

This time last year the reservoirs contained 570.507 million cubic metres of water, representing 97.3 per cent of capacity.

End/Monday, September 11, 1995

Tender for the 5th issue of 5-year EF notes

The Hong Kong Monetary Authority announces today (Monday) that the tender for the fifth issue of 5-year Exchange Fund Notes will be held on September 18 for settlement on September 19.

Similar to the previous issue, an amount of \$500 million 5-year Notes will be on offer. In addition to that, another \$100 million will be held as reserve by the Hong Kong Monetary Authority for supply to Market Makers in the secondary market.

The Notes will mature on September 19, 2000, and will carry interest at the rate of 6.95% 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 the Hong Kong Monetary Authority at 30th floor, 3 Garden Road, Hong Kong, (or Tel 2878 8150). Each tender must be for an amount of \$50,000 or integral multiples thereof.

Tender information for the fifth issue of 5-Year Exchange Fund Notes:

Issue Number : 5009

Tender Date and Time : Monday 18 September 1995, 9.30 am to 10.30 am

Issue and Settlement Date : Tuesday 19 September 1995

Amount on Offer : \$500 million plus an additional \$100 million as reserve stock for the Monetary Authority

Maturity : Five years

Maturity Date : 19 September 2000

Interest Rate : 6.95% per annum payable semi-annually in arrears

Interest Payment Dates : 19 Mar 1996, 19 Sept 1996,
19 Mar 1997, 19 Sept 1997,
19 Mar 1998, 21 Sept 1998,
19 Mar 1999, 20 Sept 1999,
20 Mar 2000, 19 Sept 2000

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/Monday, September 11, 1995

Hong Kong Monetary Authority money market operations

	<u>\$million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,078	0930	+126
Closing balance in the account	1,293	1000	+126
Change attributable to :		1100	+126
Money market activity	+130	1200	+130
LAF today	+85	1500	+130
		1600	+130

LAF rate 4.25% bid/6.25% offer TWI 122.4 *-0.2* 11.9.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.85	2 years	2708	6.06	100.14	6.07
1 month	5.85	3 years	3807	6.16	99.72	6.36
3 months	5.85	5 years	5006	6.60	98.97	6.97
6 months	5.85	5 years	M501	7.90	102.19	7.47
12 months	5.88					

Total turnover of EF bills and notes - \$6.863 million

Closed September 11, 1995

End/Monday, September 11, 1995