DAILY INFORMATION BULLETIN

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BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

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Textiles bilateral consultations with the US

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A Trade Department delegation, led by Assistant Director-General of Trade, Mr Stanley Ying, has returned from consultations with the United States held in Washington DC last week.

Mr Ying said today (Tuesday) the consultations covered three main issues: firstly, the US unilateral action to impose import control on Hong Kong's textiles and clothing products; secondly, arrangements necessary for the administration of US quantitative restraints on textiles and clothing imports from Hong Kong, for notification to the World Trade Organisation (WTO) under the WTO Agreement on Textiles and Clothing (ATC); and thirdly, the US call on Hong Kong's Category 440 imports (woven wool shirts and blouses).

He said: "On import control the US formally declined our earlier requests for the US to either revoke its decision to place Hong Kong's textiles and clothing products under import control, or at least suspend implementation until a mutually satisfactory solution is reached. We on our part reiterated our principled objections to the unilateral move, and that we would consider our way forward in accordance with our rights.

"The US agreed, however, to discuss interim arrangements with a view to minimising disruption to trade while the two sides continue to try to seek a solution. Both sides tabled their proposals for such arrangements, and there were business-like discussions on the proposals. It was agreed that the two sides will resume the discussion as soon as possible."

On whether trade had been affected by the absence of an agreement so far, Mr Ying said: "One useful result from the talks is that we managed to obtain some US data on Hong Kong imports so far this year. According to those data, so far the highest utilisation is about 82 per cent, which means that we are still some way from the possibility of an embargo."

It has been the established practice for the past three decades that Hong Kong's textiles and clothing exports to the US are subject to export control by Hong Kong, as opposed to import control by the US. One main difference between the two approaches is that under export control, Hong Kong's export data is used for quota control and accounting purposes; whereas under import control US uses its import data.

Mr Ying said there were also useful discussions on administrative arrangements for the implementation of Article 2 of the ATC.

"The two sides reached agreement on further areas of administrative arrangements for notification to the TMB. The US needs further consideration on a couple of points raised by us, and the two sides agreed to return to those points later," he said.

Under the ATC, he said, Members had to agree bilaterally on a set of administrative arrangements they deemed necessary for the implementation of provisions on quantitative restrictions in Article 2 of the ATC. Such arrangements reached by Members have to be notified to the Textiles Monitoring Body established under the ATC, he added.

Mr Ying said: "On US call on our Category 440, the US provided further information in attempting to justify the call. We pointed out that the new information does not change our view that the call is unjustifiable both in principle, because it contravenes the relevant provisions in the ATC, and in practice because the facts show that our very limited imports cannot have caused any damage to the US industry.

"We therefore repeated our demand for the call to be revoked. The US said they would revert to us. We hope that they will withdraw the call. Otherwise, the matter will be reviewed by TMB meeting now scheduled for early September."

In 1994, Hong Kong's Category 440 exports to the US was 5,046 dozens or 2.3 per cent of the total US market.

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External trade figures for July

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Both re-exports and imports continued to show substantial growth in July 1995. Domestic exports also registered a notable increase. These are shown in the external trade figures for July released today (Tuesday) by the Census and Statistics Department.

The value of total exports (comprising re-exports and domestic exports) increased by $17.8 billion or 17% over a year earlier to $122.3 billion in July 1995. Within total exports, the value of re-exports, at $100.1 billion in July, was $16.1 billion or 19% higher. The value of domestic exports, at $22.1 billion in July, increased by $1.7 billion or 8.4%. Meanwhile, the value of imports increased by $24.5 billion or 22% to $133.8 billion.

The visible trade deficit continued to narrow for the third consecutive month. In July 1995, the visible trade deficit narrowed further to $11.6 billion, equivalent to 8.6% of the value of imports. This compared with the corresponding figures of $16.8 billion or 13% in May, and of $14.4 billion or 11% in June.

In the first seven months of 1995, the value of total exports grew by 18% over the same period last year. Among this, the value of re-exports rose by 20%, while that of domestic exports increased by 9.3%. The value of imports showed an increase of 24%. Over the same period, a visible trade deficit of $99.7 billion, equivalent to 12% of the value of imports, was recorded. This compared with a deficit of $51.2 billion, equivalent to 7.5% of the value of imports, recorded in the first seven months of 1994.

Commenting on the latest trade figures, a government spokesman said the continued strong growth in both re-exports and domestic exports was encouraging. Meanwhile, retained imports also continued to grow significantly, by 28% in July over a year earlier. This was underpinned mainly by import requirements for manufacturing production and infrastructural construction, as well as for production capacity enhancement. The spokesman added that the narrowing of the visible trade deficit in recent months was also a positive development.

The table annexed presents the external trade figures in July 1995.

A more detailed analysis of Hong Kong's external trade for July 1995, by commodity and country, will be released in mid-September 1995.

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MERCHANDISE:	Domestic Exports	: $22,146 million
	Re-exports	: $100,119 million
	Total Exports	: $122,265 million
	Imports	: $133,836 million
	Trade balance	: -$11,571 million

COMPARATIVE FIGURES

Latest 3 months	May 95 to Jul 95 HK$ Mn.	May 94 to Jul 94 HK$ Mn.	Change HK$ Mn.	Change %
Domestic Exports	62,762	57,823	+4,940	+8.5
(% of Total Exports)	(17.8%)	(19.4%)		
Re-exports	290,651	240,243	+50,408	+21.0
Total Exports	353,413	298,066	+55,347	+18.6
Imports	396,165	324,876	+71,289	+21.9
Trade balance	-42,752	-26,810	-15,942	

Same month last year	July 1995 HK$ Mn.	July 1994 HK$ Mn.	Change HK$ Mn.	Change %
Domestic Exports	22,146	20,438	+1,708	+8.4
(% of Total Exports)	(18.1%)	(19.6%)		
Re-exports	100,119	84,047	+16,072	+19.1
Total Exports	122,265	104,484	+17,781	+17.0
Imports	133,836	109,329	+24,507	+22.4
Trade balance	-11,571	-4,845	-6,726	

Last month	July 1995 HK$ Mn.	June 1995 HK$ Mn.	Change HK$ Mn.	Change %
Domestic Exports	22,146	20,583	+1,563	+7.6
(% of Total Exports)	(18.1%)	(18.0%)		
Re-exports	100,119	93,913	+6,206	+6.6
Total Exports	122,265	114,496	+7,769	+6.8
Imports	133,836	128,939	+4,897	+3.8
Trade balance	-11,571	-14,442	+2,872	

Calendar year to-date	Jan-Jul 1995 HK$ Mn.	Jan-Jul 1994 HK$ Mn.	Change HK$ Mn.	Change %
Domestic Exports	130,218	119,181	+11,037	+9.3
(% of Total Exports)	(17.5%)	(18.9%)		
Re-exports	615,271	512,321	+102,950	+20.1
Total Exports	745,490	631,502	+113,988	+18.1
Imports	845,183	682,697	+162,486	+23.8
Trade balance	-99,693	-51,195	-48,498	

Last 12 months	Aug 94 to Jul 95 HK$ Mn.	Aug 93 to Jul 94 HK$ Mn.	Change HK$ Mn.	Change %
Domestic Exports	233,129	217,656	+15,473	+7.1
(% of Total Exports)	(18.2%)	(19.8%)		
Re-exports	1,050,872	883,252	+167,619	+19.0
Total Exports	1,284,001	1,100,909	+183,092	+16.6
Imports	1,413,195	1,149,877	+263,317	+22.9
Trade balance	-129,194	-48,969	-80,225	

Restaurant owners told to remove air-coolers

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The Buildings Department today (Tuesday) asked the owners of a seafood restaurant on the ground floor of Tak Yan House in Tsuen Wan to remove air-conditioning cooling towers on the rooftop of the building.

"We have now completed our examination of the case in the light of further information and legal advice. We have taken the decision that the cooling towers are unauthorised building works and should be removed," the Assistant Director of Buildings, Mr Cheng Wei-dart, said.

"We have asked the restaurant owners to remove the cooling towers. We will monitor the situation and if necessary we will serve a removal order under the Buildings Ordinance."

Responding to enquiries on Cheuk Ming House in the same district, Mr Cheng said: "The owners of the two illegal structures re-erected on the roof of Cheuk Ming House will also be served with removal orders. This will be done shortly. If the orders are ignored, we will consider prosecution."

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Governor and veterans at Stonecutters' beat retreat

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Veterans visiting Hong Kong for the liberation commemorations have been invited to take a break from their busy schedule tomorrow (Wednesday) evening and attend a Tattoo and Beating Retreat at Stonecutters Island.

The event, organised by the Hong Kong Military Service Corps (HKMSC) and the Royal Hong Kong Regiment (The Volunteers) (RHKR(V)), will include a motor cycle display by 29 Transport Squadron, the Royal Logistic Corps, and a pageant depicting the history of the Volunteers.

The Minden Band of the Queen's Division will round the evening off by Beating Retreat. The Beating of Retreat is a traditional ceremony associated with recalling people into a defended town or camp at dusk, and with the lowering of the flag at the end of the day.

Guest of Honour is the Governor, the Rt Hon Christopher Patten, who, along with Commander British Forces, Major General Bryan Dutton, and Honorary Colonel of the RHKR(V), Major General Guy Watkins, will dot the eyes of a lion and dragon to mark the beginning of the Tattoo.

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Attention News Editors:

Press representatives covering the Tattoo and Beating Retreat should arrive at the main entrance of HMS Tamar, on Stonecutters Island, by 6.15 pm. (Maxicab No. 87A runs approximately every 10 minutes from Kwai Fong MTR Station to HMS Tamar).

Members of Joint Service Public Relations Staff will be on hand to register media representatives and issue press passes. All media representatives should ensure they are in possession of a press pass otherwise entrance to the arena will be denied.

On completion of the Tattoo and Beating Retreat (approximately 8.30 pm) a coach will take members of the press to Kwai Fong MTR Station.

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Children should never be left unattended

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The Social Welfare Department today (Tuesday) issued an appeal to parents that children should never be left unattended at home.

Members of the public who need to leave their children alone at home for whatever reason at any time of the day are advised to make full use of the occasional child care service, a spokesman for the department said.

"Leaving children unattended at home, even for a short while, may lead to accidents or even tragedies," the spokesman said.

At present, there are 129 child care centres providing a total of 390 occasional child care places to assist needy parents to look after their children temporarily.

Child care centres offer temporary care for children aged under six on two-hour, half-day (four hours) or whole-day basis. The fee for a two-hour session is $14.

To cope with the increasing demand for the service, SWD plans to provide 225 additional occasional child care places in the 1995-96 financial year.

Members of the public who are interested in the service may call SWD's hotline 2343 2255 or the Child Care Centre Advisory Inspectorate on 2836 3114.

"Parents having any child care problems can seek help from the 62 family services centres throughout the territory," the spokesman said.

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Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Tuesday) stood at 93.2 per cent of capacity or 546.206 million cubic metres.

This time last year the reservoirs contained 566.277 million cubic metres of water, representing 96.6 per cent of capacity.

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Hong Kong Monetary Authority tender results

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Tender date	29 Aug 95	29 Aug 95
Paper on offer	EF bills	EF bills
Issue number	Q535	H572
Amount applied	HK$2,920 MN	HK$1,520 MN
Amount allotted	HK$1,500 MN	HK$800 MN
Average yield accepted	5.76 PCT	5.79 PCT
Highest yield accepted	5.78 PCT	5.81 PCT
Pro rata ratio	About 13 PCT	About 52 PCT
Average tender yield	5.78 PCT	5.81 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning September 4, 1995

Tender date	5 Sep 95	5 Sep 95
Paper on offer	EF bills	EF bills
Issue number	Q536	Y593
Issue date	6 Sep 95	6 Sep 95
Maturity date	6 Dec 95	4 Sept 96
Tenor	91 days	364 days
Amount on offer	HK$1,500+300 MN	HK$500+150 MN

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Hong Kong Monetary Authority money market operations

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	$ million	Time (hours)	Cumulative change ($million)
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Opening balance in the account	1,255	0930	-49
Closing balance in the account	1,333	1000	-49
Change attributable to :		1100	-31
Money market activity	-42	1200	-33
LAF today	+120	1500	-33
		1600	-42

LAF rate 4.25% bid/6.25% offer TWI 122.0 *+0.0* 29.8.95

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.70	2 years	2708	6.06	100.04	6.13
1 month	5.76	3 years	3807	6.16	99.39	6.49
3 months	5.77	5 years	5006	6.60	98.54	7.08
6 months	5.79	5 years	M501	7.90	101.73	7.59
12 months	5.88					

Total turnover of EF bills and notes - $16,956 million

Closed August 29, 1995

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