



DAILY INFORMATION BULLETIN

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<u>Contents</u>	<u>Page No.</u>
Governor visits the United States	1
Increase in water charges approved	2
Panel for non-summary company liquidations established	4
Kindergarten subsidy application to close soon	6
Escort mandatory provision on "nanny van" to be implemented	7
Tips for summer health cited	8
Salt water cut in Tsuen Wan and Kwai Chung	10
Hong Kong Monetary Authority tender results	10
Hong Kong Monetary Authority money market operations	11

Governor visits the United States

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The Governor, the Rt Hon Christopher Patten, today (Monday, May 6, New York time) completed the New York leg of his visit to North America with a speech to the National Committee on US-China Relations at Manhattan's Plaza Hotel.

Addressing an audience of over 400 members of the New York business and professional communities, Mr Patten said there were two things which the international business community should speak up for above all else to help ensure that the economic and political freedoms survive in Hong Kong.

"First, it's imperative that Hong Kong continues, as promised, to run its own affairs and to run them in the same successful way that it's done for decades: low taxes, sensible macro-economic policy, level playing field for business, and no politicisation of the award of franchises and contracts," he said.

"Secondly, I hope the international business community and the local business community will underline the importance of the rule of law to Hong Kong's economic success and continuing prosperity."

He stressed it was important for Hong Kong's economic success that the territory continued to have independent courts and that the Government was subject to, and the people were able to depend on, the rule of law.

Mr Patten also said it was important to the success of Hong Kong in future that the rest of the world stayed interested in its affairs.

The reasons this interest should continue included America's huge economic stake in the territory, and the fact that Hong Kong was "the best possible bridge between China and the rest of the world", he said.

"And finally," he told his audience, "I hope you'll stay interested because Hong Kong is the sort of place, I would argue, that America would like Asia as a whole to be: open markets, rule of law, economic freedom and political liberty - all together in a remarkably successful community."

Mr Patten said two ways that the American community could show its ongoing interest in Hong Kong's continuing success were through not applying conditions to MFN and by not allowing Hong Kong to be swallowed up in the greater issue of the United States overall relationship with China.

"But above all, Hong Kong's success will be determined by the people of Hong Kong themselves. Hong Kong's success has been made by those six million people, six million extraordinarily resilient people, six million people who are very attached to their freedoms," said Mr Patten.

While in New York - his first stop in the United States following a week-long tour of Canada - Mr Patten also delivered speeches to the Council on Foreign Relations and to students and alumni at Columbia University, and attended editorial meetings with leading media.

On Monday afternoon, Mr Patten travelled by train to Washington D C where he will have a round of meetings with members of Congress and the Administration to argue for unconditional renewal of MFN for China.

End

Increase in water charges approved

* * * * *

The Governor-in-Council today (Tuesday) approved an increase in water charges.

The increase, which was made following an annual review of water charges, will come into effect on July 1. The last increase was over 16 months ago on February 16, 1995.

A spokesman for the Water Authority said charges for domestic consumers will increase by 8.5 per cent and for non-domestic consumers, by 9.3 per cent.

"The revision is aimed at reflecting more accurately the higher operating costs mainly due to inflation and the costs of expansion of the supply system in the next few years to cope with future demand," he said.

"The increase is below inflation which is 10.6 per cent for the same period," he remarked.

Under the new charges, 16 per cent of the 1.8 million domestic consumers will continue to enjoy free supply of water, while 63 per cent will pay less than \$6 more per month.

The remaining 21 per cent will pay \$6 or more per month. Of this group, about eight per cent (i.e. less than two per cent of all consumers) will have to pay more than \$20 extra per month.

A comparison of the water charges for domestic consumers under the old and new tariffs is shown below:

Consumption in units 1 unit = 1 cubic metre	Charges per four-month period	
	Present (\$)	New (\$)
12 and below	Free	Free
13 - 43	4.16 - 128.96	4.51 - 139.81
44 - 62	135.41 - 251.51	146.81 - 272.81
63 - 120	260.56 - 776.41	282.63 - 842.37
Over 120	776.41 plus \$9.05 per unit over	842.37 plus \$9.82 per unit over

The higher increase in the charges for non-domestic consumers, in comparison with the charges for domestic consumers, is aimed at eliminating the cross subsidy from domestic consumers to non-domestic consumers after this charges increase, the spokesman said.

"The 9.3 per cent increase for non-domestic supplies is unlikely to have any significant impact on business operations as water charges represent only a small part of the operating costs of most firms.

"For example, the new rate will increase the production cost of the bleach-dyeing industry, which is the largest consumer of water, by about 0.28 per cent and that of the entire manufacturing sector by about 0.02 per cent.

"Therefore the increase in the charges should not have any significant impact on their operations," he said.

The fees for connection and other miscellaneous services will also be increased to reflect the rise in material and labour costs. The last increases in these fees were also on February 16, 1995.

End

Panel for non-summary company liquidations established

* * * * *

The Official Receiver (OR), Mr Robin Hearder, and the President of the Hong Kong Society of Accountants (HKSA), Mr Brian Stevenson, today (Tuesday) announced the establishment of the Administrative Panel of Insolvency Practitioners for the Court Winding-Up of Companies for non-summary company liquidations.

Mr Hearder explained that the scheme was not a licensing scheme, and merely involved the registration by the OR of member firms of HKSA, which possessed the necessary expertise and resources to form a panel.

Under the scheme, when statutory meetings of creditors and contributories in non-summary company liquidations (having net estimated realisable assets of more than \$200,000) are called, the OR will inform the persons attending that except for public interest cases, they have a choice whether an application should be made to the court to appoint a liquidator in place of the OR.

If they want a liquidator other than the OR, the OR will recommend that the appointment be given to the firms listed on the Panel.

Creditors in non-summary cases may in some instances choose not to appoint someone other than the OR as the liquidator.

The OR will advise creditors in such cases that if they do appoint the OR as liquidator, he will promptly apply to the court to appoint special managers from the Panel under Section 216 of the Companies Ordinance.

The appointment will be allocated to a firm on the Panel, based on a roster of firm names arranged in alphabetical order. Firms which join the Panel after the roster has begun will be placed at the end of the list in the order of their admission.

It should be noted that in some instances, creditors may wish to appoint an accountant not on the Panel. Subject to producing satisfactory affidavits of fitness, a suitable bond to the satisfaction of the OR, and the discretion of the court, there is nothing to prevent them doing so.

The Panel will be managed by the OR and member firms must possess four main criteria of expertise and resources to be admitted.

The main ones are having at least four professional accountants who are members of HKSA, and two of these accountants must be insolvency practitioners who have a minimum number chargeable hours in relevant insolvency work (excluding members voluntary liquidations).

All applications to join the Panel have to be accepted by an approval committee consisting of three members of HKSA and three members of the OR Office.

The approval committee met last week and granted the applications of 13 firms to join the Panel.

Panel members who are appointed as special managers or liquidators under the roster system will be remunerated on a time-cost basis based on the standard scale of fees approved by the OR in consultation with HKSA.

The standard scale of fees will be reviewed each year. Panel firms may apply to the Committee of Inspection of Creditors or to the court to be remunerated at a different rate of the standard scale of fees having regard to the complexity of the case or other relevant factors.

Panel firms must sign an undertaking to the OR to accept any cases allocated to them under the roster system except for special reasons satisfactory to the OR which precluded them from doing so, and must carry out an appropriate minimum standard of statutory investigation having regard to the funds available.

Mr Hearder welcomed the participation of experienced insolvency practitioners of HKSA to take on the larger and more complex company liquidations, and to relieve the pressure on his hardworking staff who would have more time to concentrate on other company liquidations and bankruptcies.

Mr Stevenson said the scheme signified a successful and effective partnership between the government and the private sector.

He welcomed the move by government to make greater use of private sector skills in areas of public sector work.

He believed that HKSA members on the Panel, having the necessary professional expertise and skills in insolvency work, will make a definite contribution.

End

Kindergarten subsidy application to close soon

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Kindergarten operators are invited to apply for government subsidy under the Kindergarten Subsidy Scheme for the 1996-97 school year on or before Friday (May 10).

Senior Education Officer, Mr Chan Chi-tak, said: "The advantage of joining the Scheme is that kindergartens will be able to boost competitiveness by lowering their fees, and at the same time reduce parents' burden."

Under the revised Scheme, kindergarten operators will see an annual subsidy rate raised to \$790 per pupil and eligibility cut-off point to \$11,700 per pupil per year in the 1996-97 school year.

The subsidy rate and the cut-off point in the present Scheme are \$695 and \$8,300 respectively.

Mr Chan said: "The subsidy rate has been revised to take account of both inflation and the annual salary increment of teachers."

The enhancement of the eligibility cut-off point, raising by almost 41 per cent for the forthcoming school year, will enable up to 90 per cent of kindergartens to join the Scheme.

"For a standard kindergarten with 320 pupils, the revised subsidy will be \$252,800 per year. For one with 80 or fewer pupils, a flat rate of \$63,200 per year will be paid," said Mr Chan.

The Kindergarten Subsidy Scheme, introduced in September last year, is aimed at improving the quality of kindergarten education and to minimise the impact of fee increases on parents as a result of the Government's new regulatory requirements on kindergartens.

Mr Chan said kindergartens wishing to join the Scheme should complete the application forms and return them to the respective District Education offices.

More than \$20.8 million was paid to 236 kindergartens benefiting about 60,000 pupils under the Education Department's Kindergarten Subsidy Scheme in the second payment of the 1995-96 school year, he noted.

The payment will be effected to kindergartens on Friday.

End

Escort mandatory provision on "nanny van" to be implemented

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The Government will make provision of an escort mandatory on board school buses which have a capacity exceeding 16 seats effective from next February.

The provision, however, is confined to school buses carrying primary school and kindergarten children.

This was revealed by the Assistant Commissioner for Transport (Management and Licensing), Dr Ernest Lee, at a press conference today (Tuesday) on safety provisions of school transport jointly held by Transport Department, Education Department and the Police.

Dr Lee said the experience gained from the bigger buses would help to assess the possible extension of such a requirement to nanny vans at a later stage.

He noted that the requirement was one of the measures drawn up by the three government departments for implementation to enhance the safety of school transport after a three-month public consultation that ended last December.

In the exercise, Education and Transport departments had received 11,900 completed questionnaires. Of them, 84 per cent were from parents.

Dr Lee pointed out that other improvement measures would also be implemented in stages to enhance the safety of school transport.

These measures and their implementation schedule are as follows:

- * encouraging the setting up of school bus service committees in all primary schools and kindergartens;
- * the tightening of licensing conditions for nanny vans to commence on August 1;
- * an additional "Caution: Children" sign board to be placed on buses when carrying school children to alert other motorists should be in place by August 1;
- * mandatory installation of warning devices at the main door and emergency exit door for commencement on February 1, 1997;

- * a new colour scheme for new nanny vans to make them more conspicuous with effect from February 1, 1997;
- * mandatory installation of a public announcement system to enable drivers and/or escorts to communicate with school children to be effective on February 1, 1998;
- * a new colour scheme for existing nanny vans by February 1, 1998; and
- * requirement for nanny vans to obtain a passenger service license by mid-1998.

In addition, Transport Department is currently pursuing with Housing Department the possibility of designating suitable bus stops for school transport vehicles in public housing estates.

End

Tips for summer health cited

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Safe food, good personal and environmental hygiene are the effective weapons against gastro-intestinal infections, the acting Assistant Director of Health, Dr Leung Ting-hung, said today (Tuesday).

Dr Leung was appealing to members of the public to take special precautionary measures against diseases with the approach of the summer season.

He pointed out that food-borne diseases such as cholera, dysentery, typhoid and food poisoning are more common in the summer season as a result of eating unclean or deteriorated food, or drinking contaminated water.

"Members of the public are strongly advised not to patronise illegal hawkers selling cooked foods and non-bottled drinks, and unlicensed food premises as their food may be unclean and may pose serious risk to health," he said.

He also advised people travelling to tropical countries to take extra precautions in choosing their food and drinks.

Dr Leung cited 12 points for members of the public to observe to guard against gastro-intestinal infections:

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He also advised people travelling to tropical countries to take extra precautions in choosing their food and drinks.

Dr Leung cited 12 points for members of the public to observe to guard against gastro-intestinal infections:

- * Keep the kitchen clean;
- * Clean the chopping block and knife before use, especially after cutting raw meat and poultry;
- * Use clean cooking utensils;
- * Use wholesome food and make water safe for drinking by boiling;
- * Wash hands with soap after visiting toilet and before preparing or eating food;
- * Defrost food only when needed;
- * Store all perishable food not meant for immediate consumption properly. Cooked food stored in the refrigerator should be separated from raw food items;
- * Soak and wash vegetables thoroughly before cooking;
- * Cook food, especially meat and shellfish, thoroughly before consumption;
- * Eat cooked food while it is still hot and do not leave it exposed for a long period of time;
- * Food to be kept over-night should be put in a refrigerator and reheated thoroughly before eating; and
- * All garbage and waste should be stored in a covered container before disposal.

Dr Leung stressed that the Department of Health, the Urban Services and Regional Services departments would continue to take positive measures to prevent the spread of gastro-intestinal infections.

"These measures include prosecution against illegal cooked food hawkers and dissemination of health education messages and advice to the licensees and staff of licensed food premises as well as to the residents in remote areas," he said.

Publicity would also be stepped up to put across health messages to the public on food, personal and environmental hygiene, he added.

End

Salt water cut in Tsuen Wan and Kwai Chung

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The flushing water supply to some premises in Tsuen Wan and Kwai Chung will be temporarily suspended from 10 pm next Friday (May 10) to 10 am the following day for repair work on watermains to be carried out.

The suspension will affect all premises in Tsuen Wan and Kwai Chung, including Upper Kwai Chung, Lower Kwai Chung and the Kwai Chung container terminal.

End

Hong Kong Monetary Authority tender results

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Tender date	7 May 1996	7 May 1996
Paper on offer	EF bills	EF bills
Issue number	Q619	H664
Issue date	8 May 1996	8 May 1996
Maturity date	7 Aug 1996	6 Nov 1996
Amount applied	HK\$5,540 MN	HK\$3,380 MN
Amount allotted	HK\$1,500 MN	HK\$800 MN
Average yield accepted	5.15 PCT	5.31 PCT
Highest yield accepted	5.16 PCT	5.32 PCT
Pro rata ratio	About 46 PCT	About 56 PCT
Average tender yield	5.18 PCT	5.34 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning 13 May 1996

Tender date	13 May 1996	14 May 1996	14 May 1996
Paper on offer	EF notes	EF bills	EF bills
Issue number	2805	Q620	Y689
Issue date	14 May 1996	15 May 1996	15 May 1996
Maturity date	14 May 1998	14 Aug 1996	14 May 1997
Tenor	2 years	91 days	364 days
Amount on offer	HK\$500+100MN	HK\$1,500+300MN	HK\$500+150MN
Coupon	6.30 PCT		

End

Hong Kong Monetary Authority money market operations

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,368	0930	+33
Closing balance in the account	1,586	1000	+33
Change attributable to :		1100	+33
Money market activity	+33	1200	+33
LAF today	-815	1500	+33
		1600	+33

LAF rate 4.00% bid/6.00% offer TWI 123.6 *+0.0* 7.5.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.90	2 years	2802	5.16	98.46	6.18
1 month	4.99	3 years	3904	6.30	99.37	6.64
3 months	5.16	5 years	5103	6.75	98.07	7.36
6 months	5.31	7 years	7302	6.02	91.50	7.79
12 months	5.62	5 years	M502	7.30	99.35	7.61

Total turnover of EF bills and notes - \$28,242 million

Closed May 7, 1996

End