



DAILY INFORMATION BULLETIN

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FRIDAY, NOVEMBER 27, 1992

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GOVERNOR PUSHES FIGHT FOR FREE TRADE

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, TODAY (FRIDAY) SPOKE PASSIONATELY ABOUT THE NEED FOR GOVERNMENTS TO ADOPT FREE TRADE POLICIES.

DELIVERING A KEYNOTE SPEECH AT A LUNCHEON IN TOKYO ATTENDED BY NEARLY 600 JAPANESE BUSINESS PEOPLE, MR PATTEN SAID HE BELIEVED "PASSIONATELY THAT IT IS FREE TRADE THAT KICKSTARTS AND MAINTAINS THE MOMENTUM IN RAISING THE QUALITY OF LIFE FOR ALL".

"IT IS FREE TRADE THAT WE SHOULD FIGHT FOR," HE STRESSED.

THE GOVERNOR SAID THE KEY TO DEALING WITH TRADING PROBLEMS WAS CO-OPERATION.

TOGETHER, HONG KONG, JAPAN AND THE REGION COULD STRIVE FOR THE ECONOMIC TRANSFORMATION OF ASIA.

"TOGETHER THROUGH OUR CONTRIBUTION TO ORGANISATIONS SUCH AS THE ASIAN DEVELOPMENT BANK, THE PACIFIC ECONOMIC CO-OPERATION COUNCIL AND THE ASIA PACIFIC ECONOMIC CO-OPERATION, WE CAN PLAY A VITAL PART IN THIS PROCESS," MR PATTEN SAID.

HE POINTED OUT THAT THE POSSIBLE WITHDRAWAL OR LIMITATION OF CHINA'S MOST FAVOURED NATION (MFN) TRADING STATUS IN THE UNITED STATES WAS A THREAT TO THE HONG KONG SUCCESS STORY, AS THE TWO NATIONS WERE HONG KONG'S LARGEST TRADING PARTNERS.

"THAT IS WHY ONE OF MY BIGGEST TASKS NEXT YEAR WILL BE TO GET THE MESSAGE ACROSS IN THE UNITED STATES AND ELSEWHERE THAT POLITICISATION OF TRADE CANNOT BE THE RIGHT WAY FORWARD FOR ANYONE.

"WHAT IS NEEDED IS MORE DIALOGUE AND MORE TRADE. NOT DISENGAGEMENT AND LESS TRADE," MR PATTEN SAID.

SOUTHERN CHINA, WHICH PRODUCED OVER HALF OF CHINA'S EXPORTS TO THE U.S. WAS THE MOST OPEN AND OUTWARD-LOOKING PART OF THE COUNTRY'S ECONOMY, AND IT WOULD BE HURT THE MOST IN ANY CHINA/U.S. TRADE FRICTION.

MR PATTEN DESCRIBED THE MULTILATERAL TRADING SYSTEM REPRESENTED BY THE GATT AS THE CRUCIAL FACTOR IN SHAPING THE WORLD'S TRADING FUTURE.

HE SAID HE WAS GLAD THE U.S. AND THE EC HAD JUST REACHED AGREEMENT ON THE MAJOR ELEMENTS BLOCKING THE URUGUAY ROUND AND ADDED THAT IT WOULD BE A "TRAGEDY IF THE ROUND WERE TO COME TO NOTHING".

"WE BELIEVE THAT SECTORS WHICH ARE NOT COMPETITIVE SHOULD NO LONGER BE PROTECTED."

/MR PATTEN

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MR PATTEN SAID HONG KONG "AS A CONTRACTING PARTY AND LIVING EXAMPLE OF WHAT THE GATT STANDS FOR" WOULD PLAY ITS PART IN PUSHING FOR A SUCCESSFUL CONCLUSION TO THE ROUND.

TURNING TO HONG KONG'S FUTURE, THE GOVERNOR SAID AS PART OF THE INVESTMENT FOR THE FUTURE, HE HAD MADE "MODEST PROPOSALS" FOR CONSTITUTIONAL DEVELOPMENT SO THAT MORE PEOPLE COULD PARTICIPATE IN PUBLIC LIFE.

"THIS IS SOMETHING WHICH THE PEOPLE HAVE SAID THEY WANT".

HE REITERATED THAT THEY WERE SIMPLY PROPOSALS WHICH WERE IN LINE WITH THE BASIC LAW.

"I HAVE SAID IT IN PEKING, CANADA AND LONDON. NOW I SAY IT IN JAPAN, I STAND READY TO DISCUSS ALTERNATIVE PROPOSALS WITH ANYONE, AT ANY TIME AND ANYWHERE," MR PATTEN SAID.

THE GOVERNOR MADE THREE POINTS.

HE SAID WITH A MORE PROSPEROUS AND BETTER EDUCATED PUBLIC, IT WOULD NOT BE HELPFUL TO POLITICAL STABILITY IN HONG KONG TO SPEND THE NEXT FIVE YEARS RESISTING EVERY PRESSURE FOR A SLIGHTLY GREATER MEASURE OF PARTICIPATION IN GOVERNMENT.

"WHAT MAKES HONG KONG SO SPECIAL IS THE COMBINATION OF ITS ECONOMIC FREEDOM AND ITS OPENNESS AND TOLERANCE AS A SOCIETY - ITS WAY OF LIFE."

MR PATTEN SAID: "WE MUST ENSURE THAT OUR WAY OF LIFE AND THE RULE OF LAW ARE MAINTAINED - THAT IS THE BEST WAY OF SECURING OUR PROSPERITY AND THE CONFIDENCE OF INVESTORS IN OUR FUTURE".

THE THIRD POINT MADE BY THE GOVERNOR WAS THAT THE CONCEPT "WE ARE SEEKING TO IMPLEMENT IS ONE COUNTRY: TWO SYSTEMS - THAT MEANS WHAT IT SAYS. ONE COUNTRY - TWO (NOT ONE-AND-A-BIT) SYSTEMS".

AS FOR THE NEW AIRPORT AT CHEK LAP KOK, MR PATTEN SAID THIS WAS MOVING AHEAD, "BUT WE ARE NOT GOING IT ALONE".

"WE ARE COMMITTED 100 PER CENT TO IMPLEMENTING THE MEMORANDUM OF UNDERSTANDING WITH THE CHINESE GOVERNMENT.

"WE WILL LEAVE NO STONE UNTURNED IN OUR EFFORTS TO REACH AN AGREEMENT WITH CHINA ON THE OVERALL FINANCING ARRANGEMENTS," MR PATTEN SAID.

HE ADDED THAT THE JAPANESE COULD BE PROUD OF THEIR INVOLVEMENT IN THREE OF THE MOST SIGNIFICANT AIRPORT-RELATED PROJECTS - THE TSING MA BRIDGE, THE KAP SHUI MUN BRIDGE, AND HE HOPED THE RECENTLY ANNOUNCED AIRPORT SITE PREPARATION CONTRACT.

ANSWERING QUESTIONS AT THE END OF THE SPEECH, MR PATTEN REITERATED HIS OPPOSITION TO DOING AWAY WITH THE LINK BETWEEN THE HK AND U.S. DOLLARS.

/"I HAVE

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"I HAVE TO SAY TODAY AS I HAVE SAID CONSISTENTLY IN THE PAST I SEE NO CASE WHATSOEVER FOR US UNCOUPLING OUR DOLLAR FROM THE U.S. DOLLAR."

"I THINK THE DOLLAR LINK HAS GIVEN US STABILITY IN THE LAST FEW YEARS DURING WHAT MIGHT HAVE BEEN OTHERWISE TIMES OF CONSIDERABLE TURMOIL."

EXAMPLES SUCH AS THE GULF WAR, OCCASIONAL PASSING DISAGREEMENTS WITH CHINA AND COUPS IN THE SOVIET UNION, MR PATTEN SAID.

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TRANSCRIPT OF GOVERNOR'S PRESS CONFERENCE IN JAPAN

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FOLLOWING IS THE TRANSCRIPT OF A PRESS CONFERENCE GIVEN BY THE RT HON CHRISTOPHER PATTEN, AT THE JAPAN NATIONAL PRESS CLUB TODAY (FRIDAY):

GOVERNOR: I HAVE ALREADY MADE A FAIRLY LONG SPEECH, AT LEAST BY MY STANDARDS, AT LUNCH-TIME, AND EVEN MORE CURIOUS BY MY STANDARDS, I DELIVERED FROM A TEXT, SO NOBODY HAD TO DO SHORTHAND, SO I HAVE DONE YOUR WORK FOR YOU TODAY AND I DON'T WANT TO SAY VERY MUCH AT THE OPENING OF THIS PRESS CONFERENCE. PERHAPS I CAN JUST SAY A FEW THINGS VERY BRIEFLY.

I HAD TWO PURPOSES IN COMING TO JAPAN, ONE OF THE FIRST TRIPS OVERSEAS THAT I'VE MADE SINCE I BECAME GOVERNOR OF HONG KONG. FIRST OF ALL, I WANTED TO ATTEND THE ANNUAL MEETING OF THE HONG KONG/JAPAN BUSINESS CO-OPERATION COMMITTEE WHICH IS ITSELF AN INSTITUTIONALISED REMINDER OF THE VERY CLOSE BUSINESS RELATIONSHIP BETWEEN HONG KONG AND JAPAN, ONE OF THE CLOSEST BUSINESS AND TRADE RELATIONS, NOT ONLY IN THE REGION BUT IN THE WORLD, AND I WANT TO SEE THAT CONTINUE TO STRENGTHEN.

THERE ARE A NUMBER OF OVERLAPPING INTERESTS IN THE REGION AND THE WORLD AND A NUMBER OF SHARED CONCERNS, AND I WAS, THEREFORE, DELIGHTED TO ACCEPT AN INVITATION TO MAKE SUCH AN OFFICIAL VISIT. THOSE SHARED INTERESTS AND CONCERNS INCLUDE THE SUCCESSFUL OPENING UP OF CHINA'S ECONOMY, WHICH IS SO IMPORTANT FOR THE WHOLE WORLD, AND CONTINUING OPEN AND FREE TRADE, WHICH IS THE BEST WAY OF SUSTAINING ECONOMIC AND SOCIAL PROGRESS. ALSO BOTH HAVE A SHARED EXPERIENCE, A SHARED EXPERIENCE OF PRACTISING MARKET ECONOMICS IN AN OPEN, FREE AND TOLERANT SOCIETY WHICH WORKS WITHIN THE FRAMEWORK OF THE RULE OF LAW. I'VE BEEN PRIVILEGED TO EXPLAIN HOW I WANT TO ENSURE THAT WE CAN CONTINUE THAT WAY IN HONG KONG IN A NUMBER OF MEETINGS WITH THE PRIME MINISTER, THE FOREIGN MINISTER AND FINANCE MINISTER AND WITH A NUMBER OF POLITICAL LEADERS, AND WITH BUSINESS LEADERS AS WELL, AT THE KEIDANREN YESTERDAY.

/IT'S BEEN,

IT'S BEEN, I THINK, MY SIXTH VISIT TO JAPAN THOUGH THE FIRST I'VE MADE AS GOVERNOR OF HONG KONG, AND I HOPE, GOD WILLING, THAT I'LL BE ABLE TO MAKE MANY MORE IN THE NEXT FOUR AND A HALF YEAR. THANK YOU VERY MUCH.

QUESTION: MR PATTEN, WE WOULD LIKE TO KNOW THE FINANCE COMMITTEE IS VOTING ON THE FUNDING FOR THE SITE PREPARATION FOR THE NEW AIRPORT. IF IT DOES NOT APPROVE THE FUNDING, WHAT KIND OF CONTINGENCY PLAN DOES THE GOVERNMENT HAVE?

GOVERNOR: I'LL ANSWER QUESTIONS ABOUT VOTES IN THE FINANCE COMMITTEE OF THE LEGISLATIVE COUNCIL AFTER THEY'VE TAKEN PLACE RATHER THAN BEFORE.

QUESTION: CAN YOU TELL US WHAT YOUR IMPRESSION IS OF THE LEVEL OF JAPANESE GOVERNMENT SUPPORT FOR YOUR PLAN FOR DEMOCRATIC REFORMS ?

GOVERNOR: I THINK THE JAPANESE GOVERNMENT, LIKE OTHER GOVERNMENTS - AND THIS IS SOMETHING THAT I SAID BEFORE I CAME TO JAPAN AND IT IS SOMETHING THAT I'VE SAID IN JAPAN, AND I DARESAY IT IS SOMETHING I'LL SAY WHEN I'VE LEFT JAPAN - I THINK THE JAPANESE GOVERNMENT, LIKE OTHER GOVERNMENTS, RECOGNISES THAT THE SUCCESSFUL IMPLEMENTATION OF THE JOINT DECLARATION IS A MATTER PRINCIPALLY FOR THE UNITED KINGDOM, FOR CHINA AND FOR HONG KONG. AND OBVIOUSLY IT'S INTERESTED IN THE SUCCESSFUL IMPLEMENTATION OF THE JOINT DECLARATION. AS I UNDERSTAND IT, IT'S MADE STATEMENTS IN THE PAST, AND DURING THIS VISIT, SAYING THAT IT SUPPORTS THE BROAD MOVES TOWARDS DEMOCRATISATION WITHIN THE FRAMEWORK OF THE BASIC LAW. I WOULDN'T EXPECT IT TO SAY ANY MORE THAN THAT, AND WHAT I HAVE BEEN DELIGHTED WITH IS THE INTEREST IN WHAT IS HAPPENING IN HONG KONG AND THE CONCERNS FOR OUR SUCCESSFUL AND PROSPEROUS FUTURE.

QUESTION: GOVERNOR, YOU'VE SAID THAT YOUR BIGGEST TASK NEXT YEAR IS TO PERSUADE WASHINGTON ABOUT THE HARMFUL EFFECTS ON HONG KONG IF CHINA'S MFN IS REVOKED. WHAT WOULD BE YOUR EXACT STRATEGY, ASIDE FROM YOUR NATURAL CHARISMA?

GOVERNOR: FIRST OF ALL, I THINK I WOULD TAKE FROM YOU THE IMPORTANCE OF BEGINNING BY BEING FLATTERING. BUT I HOPE THAT I WOULD HAVE MORE CREDIBILITY IN PUTTING THE ARGUMENT AS SOMEBODY WHO WAS RECOGNISED TO STAND UP FOR HONG KONG'S BEST INTERESTS, WOULD PUT ARGUMENTS BOTH OF PRINCIPLE AND ARGUMENTS CONCERNING THE IMPACT ON HONG KONG OF THE POLITICISATION OF TRADE. FIRST OF ALL ON PRINCIPLE, I BELIEVE PASSIONATELY IN FREE TRADE. I BELIEVE THAT FREE TRADE IS THE BEST WAY OF PROMOTING ECONOMIC AND SOCIAL PROGRESS, I BELIEVE THAT FREE TRADE IS THE BEST WAY OF CONTINUING TO PROMOTE THE ECONOMIC DEVELOPMENT AND OPENING UP OF CHINA, WHICH IS VERY IMPORTANT FOR HONG KONG, VERY IMPORTANT FOR THE REGION, AND VERY IMPORTANT FOR THE WORLD. IT IS ALWAYS, IN MY JUDGMENT, WRONG TO TRY TO POLITICISE TRADE AS THAT LEADS TO LOWER GROWTH, IT LEADS TO THROWING PEOPLE OUT OF WORK, AND IT LEADS TO HIGHER PRICES.

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I WOULD POINT OUT IN PARTICULAR THE IMPACT WHICH ENDING OR QUALIFYING MFN STATUS WOULD HAVE FOR OUR GROWTH IN HONG KONG AND FOR JOBS IN HONG KONG. I DON'T WANT PEOPLE IN HONG KONG TO SUFFER BECAUSE OF THE POLITICAL ARGUMENTS BETWEEN OTHERS AND THAT IS A POINT THAT I WILL PUT EXTREMELY VIGOROUSLY. I WOULD TAKE WITH ME BUSINESS LEADERS AND OTHER COMMUNITY LEADERS FROM HONG KONG WHO CAN PUT ALL THESE ARGUMENTS FROM THEIR OWN PERSONAL EXPERIENCES.

QUESTION: GOVERNOR, I WAS NOT ABLE TO ATTEND THE LUNCHEON AND TO HEAR YOUR SPEECH THERE. BUT AS I UNDERSTAND IT, THE PROPOSALS MADE BY THE GOVERNOR TOWARDS THE DEMOCRATISATION OF HONG KONG, I UNDERSTAND THAT CHINA NOW IS VERY ANGRY OVER YOUR PROPOSALS. NOW, WHAT I WOULD LIKE TO KNOW FROM YOU AS THE GOVERNOR, WHY IS IT THAT THE FORMER GOVERNOR, YOUR PREDECESSOR, NEVER SAID ANYTHING TO THAT EFFECT, AND WHY IS IT THAT GOVERNOR PATTEN, YOU YOURSELF, HAVE STARTED TO ASSERT THE POLICY? I WOULD LIKE TO KNOW WHAT MAY BE THE INTENTIONS BEHIND THAT PROPOSAL? AND ANOTHER POINT: NOW IF YOU ANGER CHINA, IF CHINA BECOMES SO MAD OVER THE PROPOSALS, WHAT MAY BECOME OF THE STABILITY OF HONG KONG? WHAT MAY BECOME OF THE FUTURE OF HONG KONG, OR DON'T YOU THINK THAT THAT MAY HAVE A NEGATIVE EFFECT?

GOVERNOR: FIRST OF ALL, IT IS OF COURSE A POINT WHICH I HAVE ADDRESSED IN INNUMERABLE SPEECHES AND YOU'LL EXCUSE ME IF I DON'T GO INTO THE DETAILS OF ALL THE ARGUMENTS IN AN ANSWER TO YOUR INTERESTING QUESTION. ARRANGEMENTS HAD NOT BEEN AGREED FOR THE LAST ELECTIONS BEFORE THE TRANSFER AND THE RESUMPTION OF CHINESE SOVEREIGNTY IN 1997. THE ARRANGEMENTS HAVE NOT BEEN MADE FOR THOSE ELECTIONS AND I WAS OBLIGED TO PUT FORWARD PROPOSALS FOR THOSE ELECTIONS MYSELF. THE EXISTING SOVEREIGN POWER, BRITAIN HAD PRESSED FOR THREE YEARS FOR AN INCREASE IN THE NUMBER OF DIRECTLY ELECTED SEATS IN 1995. CHINA HAD SAID DURING THAT PERIOD THAT IT DID NOT WISH TO INCREASE THE NUMBER OF DIRECTLY ELECTED SEATS BECAUSE THAT WOULD INVOLVE A CHANGE IN THE BASIC LAW. I THEREFORE PROPOSED A DIFFERENT APPROACH, AN APPROACH WHICH IN MANY PARTICULARS FELL WELL SHORT OF WHAT MANY PEOPLE IN HONG KONG HAD BEEN ARGUING FOR, AND THAT IS WHAT THE DEBATE IS ABOUT AT PRESENT. THEY'RE MODEST PROPOSALS, WHICH I REPEAT, FELL WELL SHORT OF WHAT MANY PEOPLE IN HONG KONG HAD URGED ME TO DO.

I AM PERFECTLY HAPPY, AS I HAVE SAID ON A NUMBER OF OCCASIONS, TO CONSIDER OTHER PROPOSALS. OTHER PROPOSALS ARE STARTING TO COME FORWARD, FOR EXAMPLE WITHIN THE LEGISLATIVE COUNCIL. THE LEGISLATIVE COUNCIL ITSELF WILL HAVE TO MAKE THE FINAL DECISION IN THE FIRST MONTHS OF NEXT YEAR, THAT'S PERFECTLY CLEAR FROM THE EXISTING CONSTITUTIONAL ARRANGEMENTS. IT WOULD BE EQUALLY CLEAR UNDER THE BASIC LAW AFTER 1997. THE ONLY POINT I WILL ADD TO THAT IS THIS: WHAT WE ARE ATTEMPTING TO TURN INTO REALITY IS THE HISTORIC CONCEPT OF ONE COUNTRY, TWO SYSTEMS. AS I SAID AT LUNCH, IT'S TWO SYSTEMS NOT ONE-AND-A-HALF SYSTEMS, OR ONE-AND-A-QUARTER SYSTEMS. I THINK WE HAVE TO STAND UP FOR OUR SYSTEM BEFORE 1997 IN ORDER TO ENSURE THAT IT EXISTS AFTER 1997.

/QUESTION: I'M

QUESTION: I'M SURE, GOVERNOR, YOU HAVE READ THE NOVEL BY SIMON WINCHESTER, THE JOURNALIST WHO RESIDES IN HONG KONG, ENTITLED, "THE PACIFIC NIGHTMARE". NOW GOVERNOR, IF YOU HAVE READ THIS NOVEL I WOULD LIKE TO KNOW FROM YOU, TO WHAT EXTENT DO YOU THINK THE NOVEL HAS THE REALISTIC ELEMENTS, TO WHAT EXTENT DO YOU THINK THE NOVEL WILL BECOME A REALITY OR ACTUALITY? NOW, WHAT I WOULD LIKE TO KNOW IS, AS HONG KONG HAS EVOLVED ACCORDING TO ... AND SO FORTH, AND JAPAN ALSO, WITH SUCH DEVELOPMENTS, TO WHAT EXTENT DO YOU THINK THERE MAY BE AN INHERENT DANGER OF US BEING INVOLVED IN THE CIVIL WAR, PERHAPS, THAT MAY HAPPEN INSIDE CHINA? PERHAPS THIS MAY BE A VERY DIFFICULT QUESTION FOR YOU TO ANSWER AS A PUBLIC PERSON, BUT PERHAPS IN THE CAPACITY OF JUST ONE READER, ONE BOOK LOVER, IF YOU COULD GIVE YOUR PERSONAL COMMENT.

GOVERNOR: AS A BOOK LOVER, WHAT MAKES IT PARTICULARLY DIFFICULT FOR ME TO ANSWER THE QUESTION IS THAT I HAVEN'T READ THE BOOK.

I USED TO REVIEW QUITE A LOT OF BOOKS AND I KNOW, AS MANY OF YOU DO, THAT IT'S NOT ENTIRELY NECESSARY TO READ THE BOOK BEFORE REVIEWING IT. HE MAKES SOME ASSUMPTIONS ABOUT THE PLOT IN ORDER TO ANSWER YOUR QUESTION. HONG KONG HAS BEEN AN ASTONISHINGLY SUCCESSFUL COMMUNITY AND IT REPRESENTS TODAY ABOUT 18 PERCENT OF CHINA'S GDP. WITH GUANGDONG IT REPRESENTS, I SUPPOSE, ABOUT 29 PERCENT OF CHINA'S GDP. AND HONG KONG IS A PRICELESS ASSET AND I AM SURE THAT CHINA, WHEN CHINA RESUMES SOVEREIGNTY, WILL WANT TO CHERISH IT. WHAT I HOPE THAT CHINA WILL RECOGNISE IN 1997, IS THAT GOVERNING INSTITUTIONS THAT WORK, GOVERNING INSTITUTIONS WHICH HELP TO SUSTAIN THE RULE OF LAW, SHOULD BE KEPT, SHOULD BE PRESERVED, SINCE THE RULE OF LAW AND HONG KONG'S WAY OF LIFE ARE ONE OF THE MAIN REASONS FOR HONG KONG'S PROSPERITY AND STABILITY.

QUESTION: IT SEEMS THAT THE JAPANESE PRIME MINISTER HAS NOT SHOWN HIS SUPPORT FOR YOUR POLITICAL REFORMS CLEARLY DURING YOUR VISIT.

GOVERNOR: I'LL REPEAT WHAT I SAID EARLIER. I ANSWERED THE QUESTION BEFORE I CAME TO TOKYO, I ANSWERED IT AT THE AIRPORT WHEN I ARRIVED, AND I'VE ANSWERED IT ON A NUMBER OF OTHER OCCASIONS. I DID NOT COME TO TOKYO ASSUMING THAT JAPAN WOULD SAY OTHER THAN JAPAN HAS ALREADY SAID, BECAUSE, I REPEAT, JAPAN AND JAPANESE OFFICIALS RECOGNISE THAT THE IMPLEMENTATION OF THE JOINT DECLARATION IS A MATTER FOR PEKING, FOR LONDON, AND FOR HONG KONG. AND THAT, I REPEAT, IS WHAT I SAID BEFORE I CAME TO TOKYO ON THIS TRIP. WHAT I WAS VERY PLEASED ABOUT WAS TO HAVE 45 MINUTES WITH THE PRIME MINISTER AT WHICH WE HAD AN EXTREMELY GOOD DISCUSSION ABOUT THE POLITICAL AND ECONOMIC CHALLENGES THAT FACE HONG KONG, AS WELL AS ABOUT OTHER MATTERS OF MUTUAL INTEREST, AND IT WAS A PARTICULAR PLEASURE TO BE ABLE TO EXPLAIN MY AGENDA FOR HONG KONG FOR THE NEXT FIVE YEARS AND WHAT PEOPLE IN HONG KONG HAVE BEEN SAYING ABOUT IT.

THERE'S A PERFECTLY OBVIOUS POINT - YOU CAN ONLY BE DISAPPOINTED IF YOU EXPECTED SOMETHING TO HAPPEN AND IT DOESN'T. SINCE BEFORE I CAME I SAID WHAT I EXPECTED TO HAPPEN, AND WHAT I DIDN'T EXPECT TO HAPPEN, I WASN'T DISAPPOINTED THAT WHAT I DIDN'T EXPECT TO HAPPEN DIDN'T HAPPEN.

/QUESTION: I

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QUESTION: I WOULD LIKE TO ASK, GOVERNOR, A VERY FRANK QUESTION. I WOULD LIKE TO KNOW, WHAT WAS THE SIGNIFICANCE AND MEANING OF HONG KONG TO GREAT BRITAIN FOR THE PAST 90 OR SO YEARS? AND I WOULD ALSO LIKE TO KNOW, AFTER THE RETURN OF THE SOVEREIGNTY OF HONG KONG, AT LEAST FOR THE COMING 50 YEARS, WHAT DOES GREAT BRITAIN EXPECT OF SAY - - WHAT KIND OF SYSTEM OR WHAT KIND OF SITUATION WOULD GREAT BRITAIN DESIRE AND WANT FOR HONG KONG FOR THE COMING 50 YEARS OR SO?

GOVERNOR: BRITAIN HAS HAD AN INTERESTING AND INTENSE RELATIONSHIP WITH HONG KONG, BUT IT HAS BEEN DIFFERENT FROM THE RELATIONSHIP WE'VE HAD WITH OTHER DEPENDENT TERRITORIES. FOR EXAMPLE, IN THIS REGION, SINGAPORE AND MALAYSIA, WE HAD BEEN PREPARING THOSE COMMUNITIES FOR INDEPENDENCE, AND WE'VE PROVIDED THEM WITH THE USUAL WESTMINSTER MODEL OF DEMOCRACY AND THE RULE OF LAW AND A CLEAN HONEST GOVERNMENT BEFORE THEY BECOME INDEPENDENT. BUT HONG KONG, FOR REASONS OF HISTORY AND GEOGRAPHY AND INTERNATIONAL TREATIES, IS NOT IN THAT POSITION, CHINA RESUMES SOVEREIGNTY FOR HONG KONG IN 1997.

1997 DOESN'T MEAN THAT WE LOSE ALL OUR INTEREST IN HONG KONG. ABOVE ALL, WE CLEARLY HAVE A MORAL COMMITMENT THAT THE JOINT DECLARATION IS FULLY IMPLEMENTED, AS I'M SURE IT WILL BE. THAT MORAL COMMITMENT IS MORE INTENSE THAN THAT IN THE FIRST COUPLE OF YEARS AFTER 1997, AS LAID DOWN IN AGREEMENTS BETWEEN BRITAIN AND CHINA. CLEARLY WE MUST DO ALL WE CAN BEFORE 1997 TO ENSURE THAT THE PRINCIPLES AND VALUES ENshrINED IN THE JOINT DECLARATION ARE DEEPLY ROOTED IN THE COMMUNITY.

THANK YOU VERY MUCH INDEED, I APOLOGISE THAT I HAVE TO LEAVE YOU NOW BUT I'VE GOT AN APPOINTMENT WITH ANOTHER MINISTER.

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FINANCE COMMITTEE APPROVES AIRPORT FUNDS

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THE FINANCE COMMITTEE TODAY (FRIDAY) APPROVED A PROVISION OF \$6.699 BILLION FOR THE PROVISIONAL AIRPORT AUTHORITY TO PROCEED WITH THE SITE PREPARATION CONTRACT FOR THE AIRPORT AT CHEK LAP KOK AND ITS ESSENTIAL RELATED WORK.

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FS. COMMENTS ON AIRPORT PROGRAMME

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FOLLOWING IS THE TRANSCRIPT OF THE FINANCIAL SECRETARY, MR HAMISH MACLEOD, SPEAKING TO THE PRESS AFTER THE FINANCE COMMITTEE MEETING TODAY (FRIDAY):

"GOOD EVENING, I WILL JUST SAY A COUPLE OF SENTENCES REALLY, BECAUSE I'VE HAD RATHER A LONG MEETING TODAY.

/"THIS IS

"THIS IS AN IMPORTANT DECISION BECAUSE IT ENABLES US TO TAKE A FURTHER STEP FORWARD ON THE AIRPORT CORE PROGRAMME, AND OF COURSE ALSO TO MEET OUR OBLIGATIONS UNDER THE MOU. IT ALSO GIVES US FURTHER TIME TO TALK WITH CHINA. WE'VE EMPHASISED BEFORE THAT OUR PRIME AIM REMAINS TO REACH AGREEMENT WITH CHINA AND THIS WILL LET US DO THAT IN PARALLEL WHILE MAKING THIS FURTHER STEP FORWARD.

"THANK YOU VERY MUCH INDEED."

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STATEMENT ON CONTAINER TERMINAL 9

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IN RESPONSE TO PRESS ENQUIRIES, THE SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS, MR TONY EASON, SAID THAT THE DEVELOPMENT OF CONTAINER TERMINAL 9 (CT9) WILL BE CARRIED OUT UNDER THE TERMS OF A LAND GRANT AS IS USUAL WITH CONTAINER TERMINALS. NO OTHER FORM OF CONTRACT OR FRANCHISE IS INVOLVED.

"THE GRANT OF LAND FOR CT9 IS INCLUDED IN THE 1992-93 LAND DISPOSAL PROGRAMME. THIS WAS APPROVED BY THE LAND COMMISSION EARLIER THIS YEAR IN ACCORDANCE WITH THE PROVISIONS OF ANNEX III OF THE JOINT DECLARATION."

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ECONOMIC SITUATION IN 3RD QUARTER OF 1992
AND UPDATED FORECASTS OF GDP AND PRICES FOR 1992

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THE GROWTH MOMENTUM OF THE ECONOMY WAS SUSTAINED IN THE THIRD QUARTER OF 1992.

RE-EXPORTS REMAINED ROBUST, WHILE DOMESTIC EXPORTS ALSO SHOWED AN INCREASE.

LOCALLY, BOTH CONSUMPTION AND INVESTMENT DEMAND ROSE FURTHER. THE LABOUR MARKET TIGHTENED UP AGAIN, AND CONSUMER PRICE INFLATION REMAINED RELATIVELY HIGH.

THE GROSS DOMESTIC PRODUCT (GDP) GREW BY AN ESTIMATED 4.7% IN REAL TERMS IN THE FIRST HALF OF 1992 OVER A YEAR EARLIER, FOLLOWING AN INCREASE OF 4.2% FOR 1991 AS A WHOLE.

THE GROWTH RATE IN THE THIRD QUARTER WAS PROBABLY IN THE REGION OF 5-5.5%.

THESE DEVELOPMENTS ARE DESCRIBED IN THE THIRD QUARTER ECONOMIC REPORT 1992 RELEASED TODAY (FRIDAY).

/THE GOVERNMENT

THE GOVERNMENT ECONOMIST SAID FOLLOWING THE REGULAR PRACTICE, THE ECONOMIC FORECASTS FOR 1992 HAD BEEN REVIEWED AND UPDATED. ADJUSTMENTS ARE MADE TO CERTAIN COMPONENTS, BUT THE FORECAST GROWTH RATE IN REAL TERMS OF THE GDP IS MAINTAINED AT 5%.

THE FORECAST OF CONSUMER PRICE INFLATION, IN TERMS OF THE CONSUMER PRICE INDEX (A), IS ALSO KEPT UNCHANGED AT 9.5%.

IN THE EXTERNAL SECTOR, DOMESTIC EXPORTS ROSE BY ABOUT 1% IN REAL TERMS IN THE THIRD QUARTER OF 1992 OVER A YEAR EARLIER. THE INCREASE IN REAL TERMS FOR THE FIRST NINE MONTHS AS A WHOLE WAS ALSO ABOUT 1%.

DOMESTIC EXPORTS TO THE UNITED STATES CONTINUED TO PICK UP, WHILE THOSE TO CHINA RECORDED A FURTHER SUBSTANTIAL INCREASE. ON THE OTHER HAND, DOMESTIC EXPORTS TO GERMANY AND JAPAN CONTINUED TO DECLINE.

DOMESTIC EXPORTS TO THE UNITED KINGDOM REMAINED ON A DOWNTREND, BUT THE DECLINE HAD MODERATED SOMEWHAT IN RECENT MONTHS.

REFLECTING THE REVIVAL OF DOMESTIC EXPORTS TO THE UNITED STATES SO FAR THIS YEAR, THE SHARE OF THIS MARKET IN HONG KONG'S TOTAL DOMESTIC EXPORTS ROSE TO 27% IN THE FIRST NINE MONTHS OF 1992, FROM 26% IN THE SAME PERIOD IN 1991.

RE-EXPORTS SURGED FURTHER, BY ABOUT 27% IN REAL TERMS IN THE THIRD QUARTER OF 1992 OVER A YEAR EARLIER. FOR THE FIRST NINE MONTHS TAKEN TOGETHER, THE INCREASE WAS ABOUT 29% IN REAL TERMS. THIS ROBUST PERFORMANCE WAS SUPPORTED BY THE CONTINUED UPSURGE IN RE-EXPORTS INVOLVING CHINA IN BOTH DIRECTIONS.

A GREATER ABSORPTION OF IMPORTS FOR CHINA'S OWN USE, COUPLED WITH THE CONTINUED EXPANSION IN OUTWARD PROCESSING ACTIVITIES ACROSS THE BORDER, WERE THE MAIN CONTRIBUTORY FACTORS.

AS RE-EXPORTS CONTINUED TO GROW AT A MUCH FASTER RATE THAN DOMESTIC EXPORTS, THE SHARE OF RE-EXPORTS IN THE VALUE OF TOTAL EXPORTS ROSE TO 74% IN THE FIRST NINE MONTHS OF 1992, FROM 69% IN THE SAME PERIOD IN 1991.

CHINA REMAINED THE LARGEST MARKET FOR AS WELL AS THE LARGEST SOURCE OF HONG KONG'S RE-EXPORTS, ACCOUNTING FOR 29% AND 61% RESPECTIVELY OF THE TOTAL VALUE OF RE-EXPORTS IN THE THIRD QUARTER OF 1992.

SUPPORTED BY THE CONTINUED SURGE IN RE-EXPORTS AND THE ROBUST DOMESTIC DEMAND, TOTAL IMPORTS SHOWED A FURTHER SUBSTANTIAL GROWTH, BY ABOUT 21% IN REAL TERMS IN THE THIRD QUARTER OF 1992 OVER A YEAR EARLIER.

RETAINED IMPORTS ALSO SHOWED A NOTABLE INCREASE, BY ABOUT 11% IN REAL TERMS. FOR THE FIRST NINE MONTHS TAKEN TOGETHER, TOTAL IMPORTS AND RETAINED IMPORTS ROSE BY ABOUT 22% AND 13% RESPECTIVELY IN REAL TERMS.

AMONG THE VARIOUS END-USE CATEGORIES, RETAINED IMPORTS OF CAPITAL GOODS RECORDED THE FASTEST GROWTH IN THE THIRD QUARTER, FOLLOWED BY THOSE OF CONSUMER GOODS, AND RAW MATERIALS AND SEMI-MANUFACTURES.

THOSE OF FOODSTUFFS AND FUELS SHOWED SMALL DECLINES, HAVING RECORDED SIGNIFICANT INCREASES IN THE PRECEDING QUARTER.

A VISIBLE TRADE SURPLUS OF \$2,140 MILLION, EQUIVALENT TO 1% OF THE VALUE OF IMPORTS, WAS RECORDED IN THE THIRD QUARTER OF 1992.

FOR THE FIRST NINE MONTHS OF 1992 COMBINED, A VISIBLE TRADE DEFICIT OF \$24,333 MILLION, EQUIVALENT TO 4% OF THE VALUE OF IMPORTS, WAS RECORDED.

ACCORDING TO THE PRELIMINARY ESTIMATE OF QUARTERLY GDP IN CONSTANT PRICE TERMS, PRIVATE CONSUMPTION EXPENDITURE, AS THE LARGEST COMPONENT OF DOMESTIC DEMAND, GREW BY 8% IN REAL TERMS IN THE SECOND QUARTER OF 1992 OVER A YEAR EARLIER, FOLLOWING A 9% INCREASE IN THE FIRST QUARTER.

UNDERLYING THIS SIGNIFICANT GROWTH WAS A MARKED INCREASE IN EXPENDITURE ON BOTH CONSUMER DURABLES AND NON-DURABLES.

AS REGARDS GOVERNMENT CONSUMPTION EXPENDITURE, THE GROWTH RATE ON NATIONAL ACCOUNTS BASIS WAS 12% IN REAL TERMS IN THE SECOND QUARTER OVER A YEAR EARLIER, FOLLOWING A 7% INCREASE IN THE FIRST QUARTER.

LOCAL INVESTMENT, MEASURED IN TERMS OF GROSS DOMESTIC FIXED CAPITAL FORMATION, RECORDED A SIGNIFICANT GROWTH OF 11% IN REAL TERMS IN THE SECOND QUARTER OF 1992 OVER A YEAR EARLIER, FOLLOWING A 5% INCREASE IN THE FIRST QUARTER.

THIS WAS MAINLY DUE TO A STRONG GROWTH IN EXPENDITURE ON MACHINERY AND EQUIPMENT, BY 23% IN REAL TERMS IN THE SECOND QUARTER OVER A YEAR EARLIER.

ON THE OTHER HAND, EXPENDITURE ON BUILDING AND CONSTRUCTION CONTINUED TO DECLINE, BY 5% IN REAL TERMS IN THE SECOND QUARTER OVER A YEAR EARLIER.

CONSTRUCTION ACTIVITY IN THE PRIVATE SECTOR REMAINED GENERALLY SLUGGISH. NEVERTHELESS, THERE WAS A PICK-UP IN PUBLIC SECTOR CONSTRUCTION LATELY.

DOMESTIC DEMAND CONTINUED TO BE ROBUST IN THE THIRD QUARTER.

ON CONSUMPTION, RETAINED IMPORTS OF CONSUMER GOODS SHOWED A FURTHER SHARP INCREASE, BY ABOUT 20% IN REAL TERMS IN THE THIRD QUARTER OVER A YEAR EARLIER, HAVING RECORDED AN 8% INCREASE IN THE SECOND QUARTER. THE VOLUME OF RETAIL SALES GREW BY 13% IN THE THREE MONTHS ENDING AUGUST 1992 OVER THE SAME PERIOD LAST YEAR.

THESE STRONG INCREASES HAD SUPPORT FROM BOTH LOCAL CONSUMERS AND THE TOURIST SECTOR.

ON INVESTMENT, RETAINED IMPORTS OF CAPITAL GOODS ROSE SUBSTANTIALLY, BY ABOUT 21% IN REAL TERMS IN THE THIRD QUARTER OVER A YEAR EARLIER, HAVING RISEN BY 24% IN THE SECOND QUARTER.

WITHIN THIS CATEGORY, RETAINED IMPORTS OF INDUSTRIAL MACHINERY FOR MANUFACTURING USE CONTINUED TO SHOW A MARKED INCREASE.

FOLLOWING A TEMPORARY EASING IN THE FIRST HALF OF 1992, THE LABOUR MARKET TIGHTENED UP AGAIN IN THE THIRD QUARTER.

THE SEASONALLY ADJUSTED UNEMPLOYMENT RATE, AT 1.9% IN THE THIRD QUARTER, WAS 0.4 AND 0.2 OF A PERCENTAGE POINT RESPECTIVELY LOWER THAN IN THE PRECEDING QUARTER AND IN THE SAME QUARTER LAST YEAR.

THE UNDEREMPLOYMENT RATE, AT 1.9% IN THE THIRD QUARTER, WAS 0.3 OF A PERCENTAGE POINT LOWER THAN IN THE PRECEDING QUARTER, THOUGH 0.4 OF A PERCENTAGE POINT HIGHER THAN IN THE SAME QUARTER LAST YEAR.

IN THE SECOND QUARTER, VACANCIES IN ALL MAJOR SERVICE SECTORS RECORDED INCREASES OF VARIOUS MAGNITUDE OVER A YEAR EARLIER, BUT THOSE IN THE MANUFACTURING SECTOR AND ON BUILDING AND CONSTRUCTION SITES CONTINUED TO DECLINE.

EARNINGS IN THE MANUFACTURING SECTOR AND IN THE SERVICE SECTORS AS A WHOLE WERE HIGHER BOTH IN MONEY TERMS AND IN REAL TERMS.

THE PERFORMANCE OF THE PROPERTY MARKET VARIED AMONGST SUBSECTORS IN THE THIRD QUARTER. THE RESIDENTIAL PROPERTY MARKET UNDERWENT SOME CONSOLIDATION.

THE RELATIVELY TIGHT MORTGAGE LENDING POLICY OF THE BANKS CONTINUED TO HAVE A RESTRAINING EFFECT, NOTWITHSTANDING ANOTHER INTEREST RATE CUT BY HALF OF A PERCENTAGE POINT ON JULY 6.

TRANSACTIONS FELL MARKEDLY IN THE THIRD QUARTER.

PRICES SHOWED LITTLE MOVEMENT BUT WERE CLEARLY UNDER PRESSURE, AS INDICATED BY A GENERAL SOFTENING OF ASKING PRICES IN THE LATTER PART OF THE QUARTER.

MEANWHILE, RENTALS FOR NEW LETTINGS CONTINUED TO INCREASE.

IN THE MARKET FOR SHOPPING SPACE, DEMAND WAS MAINTAINED WHILE PRICES AND RENTALS GENERALLY HELD STEADY, WITH SOME INCREASES IN RENTALS FOR SHOPS IN PRIME LOCATIONS.

THE DEMAND FOR OFFICE SPACE CONTINUED TO RISE ALONG WITH A MODERATE INCREASE IN RENTALS IN MANY DISTRICTS, WHILE SUPPLY REMAINED ABUNDANT. THE SALES MARKET FOR OFFICE STRATA WAS ACTIVE AND ATTRACTED MUCH INTEREST.

THE MARKET FOR FACTORY SPACE REMAINED GENERALLY SLUGGISH. HOWEVER, WELL-LOCATED MODERN INDUSTRIAL BUILDINGS DESIGNED FOR BOTH MANUFACTURING AND ANCILLARY OFFICE USES WERE MORE FAVOURED.

ON INFLATION, THE YEAR-ON-YEAR RATE OF INCREASE IN THE CONSUMER PRICE INDEX (A) MODERATED SIGNIFICANTLY FROM 13.1% IN THE SECOND QUARTER OF 1991 TO 10.1% IN THE FIRST QUARTER OF 1992, AND FURTHER TO 9.0% IN BOTH THE SECOND AND THE THIRD QUARTER.

TAKING THE FIRST NINE MONTHS OF 1992 AS A WHOLE, THE AVERAGE INCREASE WAS 9.4%. THE CORRESPONDING INCREASES IN THE CPI(B) AND HANG SENG CPI WERE 9.6% AND 9.9%, WHILE THE COMPOSITE CPI WAS 9.6% HIGHER.

IN THE FINANCIAL SECTOR, THE FOLLOWING DEVELOPMENTS WERE OBSERVED DURING THE THIRD QUARTER OF 1992.

FIRST, THE MARKET EXCHANGE RATE OF THE HONG KONG DOLLAR AGAINST THE U.S. DOLLAR REMAINED GENERALLY STABLE UNDER THE LINKED EXCHANGE RATE SYSTEM, MOVING WITHIN A NARROW RANGE OF HK\$7.723 TO HK\$7.742 PER U.S. DOLLAR.

THIS REPRESENTED A DEVIATION OF LESS THAN ONE PERCENTAGE POINT FROM THE LINKED RATE.

SECONDLY, REFLECTING THE MOVEMENT OF THE U.S. DOLLAR AGAINST OTHER MAJOR CURRENCIES DURING THE THIRD QUARTER, THE TRADE-WEIGHTED EXCHANGE RATE INDEX OF THE HONG KONG DOLLAR FELL SLIGHTLY, FROM 110.2 AT THE END OF THE SECOND QUARTER TO 109.6 AT THE END OF THE THIRD QUARTER.

THIRDLY, FOLLOWING A FURTHER EASING IN U.S. DOLLAR INTEREST RATES, LOCAL MONEY MARKET INTEREST RATES ALSO EASED.

DEPOSIT RATES ADMINISTERED BY THE HONG KONG ASSOCIATION OF BANKS WERE ADJUSTED DOWNWARDS ACROSS-THE-BOARD BY HALF OF A PERCENTAGE POINT ON JULY 6.

FOURTHLY, HONG KONG DOLLAR DEPOSITS CONTINUED TO SHOW A NOTABLE GROWTH DURING THE THIRD QUARTER. THE GROWTH RATE OF THE BROADEST DEFINITION OF THE HONG KONG DOLLAR MONEY SUPPLY, HK\$M3, WAS BROADLY IN LINE WITH THAT OF NOMINAL GDP.

HONG KONG DOLLAR LOANS RECORDED A RELATIVELY SLOWER GROWTH THAN HONG KONG DOLLAR DEPOSITS DURING THE THIRD QUARTER.

IN PARTICULAR, THE GROWTH IN MORTGAGE LOANS SLOWED DOWN FURTHER, ALONG WITH CONSOLIDATION IN THE RESIDENTIAL PROPERTY MARKET.

FIFTHLY, AFTER A STRONG RALLY IN THE SECOND QUARTER, THE STOCK MARKET CONSOLIDATED DURING THE THIRD QUARTER. THE HANG SENG INDEX STOOD AT 5,505 AT THE END OF SEPTEMBER, 10% LOWER THAN AT THE END OF JUNE BUT 28% HIGHER THAN AT THE END OF DECEMBER LAST YEAR.

AVERAGE DAILY TURNOVER AMOUNTED TO HK\$2.5 BILLION IN THE THIRD QUARTER, DOWN FROM HK\$3.5 BILLION IN THE SECOND QUARTER.

SIXTHLY, THE SIZE OF THE EXCHANGE FUND WAS DISCLOSED ON JULY 15. AS AT THE END OF 1991, THE EXCHANGE FUND STOOD AT HK\$236 BILLION.

FOREIGN CURRENCY ASSETS AMOUNTED TO HK\$225 BILLION OR U.S.\$29 BILLION, AND RANKED 12TH IN THE WORLD.

THE GOVERNMENT ECONOMIST SAID THAT THE GDP AND PRICE FORECASTS FOR 1992 WERE REVIEWED BY INDIVIDUAL COMPONENTS IN THE LIGHT OF THESE DEVELOPMENTS AND THE SHORT-TERM OUTLOOK FOR THE ECONOMY. THE UPDATED FORECASTS ARE SHOWN IN THE FOLLOWING TABLE.

IN THE EXTERNAL SECTOR, THE FORECAST GROWTH RATE IN REAL TERMS OF DOMESTIC EXPORTS IS MAINTAINED AT 1.5%. THIS HAS TAKEN INTO ACCOUNT THE CONTINUED INCREASE IN RECENT MONTHS, THE IMPROVED ORDERS POSITION, AND THE STEADY GROWTH IN RETAINED IMPORTS OF RAW MATERIALS AND SEMI-MANUFACTURES.

HAVING REGARD TO THE HIGHLY FAVOURABLE OUTTURN SO FAR THIS YEAR, THE FORECAST GROWTH RATE IN REAL TERMS OF RE-EXPORTS IS REVISED FURTHER UPWARDS, FROM 25% TO 27%.

WITH THE THE SATISFACTORY RESOLUTION BETWEEN THE UNITED STATES AND CHINA ON SECTION 301 OF THE U.S. TRADE ACT, RE-EXPORTS INVOLVING CHINA SHOULD CONTINUE TO SURGE, THEREBY UNDERPINNING HONG KONG'S OVERALL RE-EXPORT PERFORMANCE. THE RAPID GROWTH IN CHINA'S IMPORTS FOR MEETING ITS OWN DEMAND SHOULD ALSO BOOST RE-EXPORTS TO CHINA.

WITH THE FORECAST OF A HIGHER GROWTH RATE OF RE-EXPORTS AND A SLIGHTLY FASTER INCREASE IN RETAINED IMPORTS FOR THE LOCAL ECONOMY, THE FORECAST GROWTH RATE IN REAL TERMS OF IMPORTS OF GOODS IS RAISED FROM 19% TO 20.3%.

GIVEN THE FASTER GROWTH IN VISIBLE TRADE AND THE SIGNIFICANT REVIVAL IN TOURISM SO FAR THIS YEAR, THE FORECAST GROWTH RATES IN REAL TERMS OF EXPORTS OF SERVICES AND IMPORTS OF SERVICES ARE LIFTED FURTHER, FROM 11% TO 12% AND FROM 10% TO 11% RESPECTIVELY.

IN THE DOMESTIC SECTOR, THE FORECAST GROWTH RATE IN REAL TERMS OF PRIVATE CONSUMPTION EXPENDITURE IS REVISED FROM 7.5% TO 8%, IN THE LIGHT OF THE FAVOURABLE OUTTURN SO FAR.

FOR THE REST OF THE YEAR, A FURTHER STEADY INCREASE IN CONSUMPTION SPENDING CAN BE EXPECTED.

THE FORECAST GROWTH RATE IN REAL TERMS OF GOVERNMENT CONSUMPTION EXPENDITURE IS RAISED FROM 6% TO 8%, MAINLY TO TAKE INTO ACCOUNT THE FASTER INCREASE IN EXPENDITURE BY THE HOSPITAL AUTHORITY, WHICH FOR GDP ESTIMATION PURPOSES IS INCLUDED IN GOVERNMENT CONSUMPTION EXPENDITURE.

AS REGARDS INVESTMENT, THE FORECAST GROWTH RATE IN REAL TERMS OF GROSS DOMESTIC FIXED CAPITAL FORMATION IS REVISED FROM 7.2% TO 6.6%. THIS WAS MAINLY DUE TO A DOWNWARD ADJUSTMENT IN EXPENDITURE ON BUILDING AND CONSTRUCTION AS WELL AS IN THE REAL ESTATE DEVELOPERS' MARGIN, FROM AN INCREASE OF 2.6% TO A DECLINE OF 1.8% IN REAL TERMS, AND FROM ZERO GROWTH TO A DECLINE OF 4.5% IN REAL TERMS.

CONSTRUCTION ACTIVITY IN THE PRIVATE SECTOR HAS BEEN SLACK AND IS EXPECTED TO REMAIN SO IN THE SHORT TERM, ALTHOUGH PUBLIC SECTOR CONSTRUCTION ACTIVITY HAS IMPROVED LATELY.

ON THE OTHER HAND, GIVEN THE SUSTAINED RAPID INCREASE IN PRIVATE SECTOR INVESTMENT IN MACHINERY AND EQUIPMENT, THE FORECAST GROWTH RATE IN REAL TERMS OF EXPENDITURE ON MACHINERY AND EQUIPMENT IS RAISED FURTHER UPWARDS FROM 13.9% TO 17.5%.

OVERALL, THE FORECAST GROWTH RATE IN REAL TERMS OF THE GDP IS MAINTAINED AT 5%.

GIVEN THE CAPACITY CONSTRAINTS IN THE LOCAL ECONOMY, THE RAPID INCREASES IN SOME OF THE FINAL DEMAND COMPONENTS ARE BEING SUPPORTED TO A CONSIDERABLE EXTENT BY GREATER IMPORTS, AS DISTINCT FROM LOCAL SUPPLY.

ON CONSUMER PRICE INFLATION, GIVEN THE OUTTURN IN THE FIRST 10 MONTHS, THE FORECAST RATE OF INCREASE IN THE CPI(A), AT 9.5% FOR 1992 AS A WHOLE, SHOULD STILL BE APPLICABLE. SEVERAL FACTORS ARE LIKELY TO AFFECT THE RATE OF INFLATION IN THE SHORT TERM.

ON IMPORTED INFLATION, WORLD COMMODITY PRICES HAVE BEEN SOFT SO FAR THIS YEAR AND ARE EXPECTED TO REMAIN SO IN THE COMING MONTHS.

ON THE OTHER HAND, THE WEAKENING OF THE U.S. DOLLAR EARLIER IN THE YEAR IS BEING REFLECTED IN HIGHER PRICES OF IMPORTS.

ON DOMESTICALLY GENERATED INFLATION, CONTINUED GROWTH IN THE ECONOMY CAN BE EXPECTED TO GENERATE A GREATER DEMAND FOR RESOURCES. MOREOVER, HOUSING RENTALS HAVE BEEN RISING MORE RAPIDLY.

RISING WAGES AND SALARIES AMIDST A RELATIVELY TIGHT LABOUR MARKET WILL ALSO ADD TO THE COST OF SERVICE ITEMS WITH A SIGNIFICANT LABOUR CONTENT.

NEVERTHELESS, SUSTAINED INVESTMENT IN MACHINERY AND EQUIPMENT, COUPLED WITH THE ARRIVAL OF FOREIGN WORKERS UNDER THE 1992 LABOUR IMPORTATION SCHEME, SHOULD HELP TO EXPAND THE PRODUCTIVE CAPACITY OF THE ECONOMY, THEREBY RELIEVING SOME OF THE RESOURCE PRESSURES.

THE FORECAST RATE OF INCREASE IN THE GDP DEFLATOR, AS A BROAD OVERALL MEASURE OF INFLATION IN THE ECONOMY, IS RAISED FROM 9.5% TO 10%, MAINLY TO TAKE INTO ACCOUNT THE MORE RAPID INCREASE EARLIER IN THE YEAR FOLLOWING AN IMPROVEMENT IN THE TERMS OF TRADE (I.E. IMPORT PRICES RISING LESS RAPIDLY THAN EXPORT PRICES, WHICH HAD THE INSTANT EFFECT OF LIFTING, NOT LOWERING, THE RATE OF INCREASE IN THE GDP DEFLATOR).

NEVERTHELESS, THE RATE OF INCREASE IN THE GDP DEFLATOR HAS BEEN MODERATING IN RECENT QUARTERS, AS THE MODEST CHANGE IN IMPORT PRICES GRADUALLY FILTERS THROUGH TO THE LOCAL ECONOMY.

THE THIRD QUARTER ECONOMIC REPORT 1992 WILL BE ON SALE ON NOVEMBER 27 AT THE GOVERNMENT PUBLICATIONS SALES CENTRE IN GENERAL POST OFFICE BUILDING, GROUND FLOOR, CONNAUGHT PLACE, CENTRAL, AT \$30 A COPY.

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	FORECAST FOR 1992 AS RELEASED ON 28.8.1992 (%)	CURRENT UPDATE RELEASED ON 27.11.1992 (%)
GROWTH RATE IN REAL TERMS OF :		
PRIVATE CONSUMPTION EXPENDITURE	7.5	8
GOVERNMENT CONSUMPTION EXPENDITURE	6	8
GROSS DOMESTIC FIXED CAPITAL FORMATION	7.2	6.6
TRANSFER COSTS OF LAND AND BUILDINGS	8	8
BUILDING AND CONSTRUCTION	2.6	-1.8
PRIVATE SECTOR	0	-5
PUBLIC SECTOR	8	5
REAL ESTATE DEVELOPERS' MARGIN	0	-4.5
MACHINERY AND EQUIPMENT	13.9	17.5
PRIVATE SECTOR	14	18
PUBLIC SECTOR	8.5	0
TOTAL EXPORTS OF GOODS	17.4	18.7
DOMESTIC EXPORTS	1.5	1.5
RE-EXPORTS	25	27
IMPORTS OF GOODS	19	20.3
EXPORTS OF SERVICES	11	12
IMPORTS OF SERVICES	10	11
GROSS DOMESTIC PRODUCT (GDP)	5	5
PER CAPITA GDP	3.9	3.9
GROWTH RATE IN MONEY TERMS OF :		
GDP	14.9	15.4
PER CAPITA GDP	13.8	14.3
RATE OF INCREASE IN :		
GDP DEFLATOR	9.5	10
CONSUMER PRICE INDEX (A)	9.5	9.5

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FRIDAY, NOVEMBER 27, 1992

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SHORT EXTENSION OF MFA EXPECTED

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THE IMPORTANCE OF A STRONG GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT) AND THE NEED TO ENSURE THAT THE MULTIFIBRE ARRANGEMENT (MFA) RULES WERE BROUGHT GRADUALLY BACK INTO THE GATT SYSTEM WERE EMPHASISED BY THE DIRECTOR-GENERAL OF TRADE, MR DONALD TSANG.

SPEAKING AT A LUNCHEON OF THE TEXTILE COUNCIL TODAY (FRIDAY), MR TSANG WELCOMED THE BREAKTHROUGH IN THE GATT URUGUAY ROUND (UR) OF MULTILATERAL TRADE TALKS OVER THE PAST WEEK.

"THE END IS NOW IN SIGHT AND WE MUST ALL WORK TOGETHER TO ENSURE THAT THIS WINDOW OF OPPORTUNITY IS NOT LOST.

"FAILURE OF THE ROUND WOULD BE A GREAT SET-BACK TO THE WORLD TRADING SYSTEM, AND WOULD IN TURN AFFECT THE ENTIRE TEXTILE INDUSTRY OF HONG KONG.

"AS AN OPEN ECONOMY, WE IN HONG KONG COUNT ON THE OPERATION OF MULTILATERAL RULES TO GOVERN OUR COMMERCIAL RELATIONS WITH THE OUTSIDE WORLD.

"WE NEED A STRONG GATT SYSTEM, A SYSTEM UNDER WHICH WE HAVE DONE SO WELL.

"AND WE NEED TO ENSURE THAT THE MFA RULES GOVERNING TRADE IN TEXTILES AND GARMENTS ARE BROUGHT GRADUALLY BACK INTO THE GATT SYSTEM," MR TSANG SAID.

THOUGH MUCH WORK REMAINS TO BE DONE TO CONCLUDE THE UR TRADE TALKS, IT IS CLEAR THAT THERE WILL NOT BE A TEXTILES AGREEMENT UNDER THE UR IN PLACE BEFORE THE EXPIRY OF THE CURRENT TERM OF THE MFA AT THE END OF NEXT MONTH.

SO IT IS NECESSARY, AS MR TSANG SAID, TO IDENTIFY AN ARRANGEMENT TO BRIDGE THE GAP BETWEEN THE EXPIRY OF THE MFA AND THE INTRODUCTION OF A URUGUAY ROUND AGREEMENT, HOPEFULLY ON THE FIRST OF JANUARY 1994.

ACCORDING TO MR TSANG, DISCUSSIONS ON THE FUTURE OF THE MFA HAD STARTED AND HONG KONG HAD PARTICIPATED ACTIVELY IN THE PROCESS WITH A VIEW TO ACHIEVING AN EARLY AGREEMENT.

HE ENSURED MEMBERS OF THE TEXTILE COUNCIL THAT ANY BRIDGING ARRANGEMENT WOULD ENABLE THE TRADE TO CONTINUE, WITHOUT DISRUPTION.

"EXPORTING COUNTRIES AND TERRITORIES HAVE AGREED A COMMON POSITION UNDER THE UMBRELLA ORGANISATION OF THE INTERNATIONAL TEXTILES AND CLOTHING BUREAU (ITCB).

"THAT POSITION SEEKS A SHORT EXTENSION OF THE MFA WITH IMPROVEMENT IN MARKET ACCESS, AND IT MEETS OUR PRAGMATIC APPROACH ALTHOUGH THE EXACT DURATION AND TERMS OF EXTENSION HAVE YET TO BE DEFINED.

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"WE ARE CONFIDENT THAT THERE WILL BE A SATISFACTORY OUTCOME AND THAT THERE WILL BE A SHORT EXTENSION OF THE MFA AGREED - POSSIBLY OF 12 MONTHS - TO SEE US THROUGH TO THE HOPE FOR INTRODUCTION OF THE UR PACKAGE," MR TSANG SAID.

ON THE WAY FORWARD, HE SAID IF THE UR WAS SUCCESSFULLY WRAPPED UP IN THE NEXT FEW MONTHS, A VERY GRADUAL, 10-YEAR PHASE OUT OF RESTRICTIONS TO BEGIN IN JANUARY 1994 COULD BE EXPECTED.

BUT, IF THE OUTCOME OF THE ROUND WAS DELAYED, MR TSANG SAID THERE WOULD BE SOME HARD BARGAINING NEXT YEAR.

"MANY EXPORTING COUNTRIES ARE LOSING PATIENCE WITH THE MFA. IT HAS BEEN EXTENDED AND EXTENDED, WE NEED TO SEE LIGHT AT THE END OF THE TUNNEL. WE STAND READY TO RESPOND TO THAT CHALLENGE SHOULD IT COME," HE SAID.

WHILE TALKING ABOUT THE ATTRACTIONS OF THE DRAFT UR TEXT ON TEXTILES WHICH PROVIDES FOR A GRADUAL, 10-YEAR PHASE OUT, MR TSANG CAUTIONED THAT "THE HANDS OF THE IMPORTERS ARE ALSO STRENGTHENED IN CERTAIN RESPECTS".

"FIRSTLY, IF A PARTY FAILS TO LIVE UP TO ITS GATT OBLIGATIONS, THE GATT COUNCIL MAY AUTHORISE ADJUSTMENT TO THE GROWTH RATES FOR THE SECOND AND THIRD PHASES OF THE AGREEMENT.

"SECONDLY, ON CIRCUMVENTION, IMPORTERS HAVE THE RIGHT TO DEDUCT QUOTA LEVELS FROM THE COUNTRY OF ORIGIN AND TO INTRODUCE RESTRAINTS ON PLACES RESPONSIBLE FOR FRAUDULENT TRANSHIPMENT, UNILATERALLY ALBEIT AFTER DUE CONSULTATION," MR TSANG SAID.

HE CALLED ON FULL CO-OPERATION FROM THE TRADE TO PROTECT HONG KONG'S INTERESTS IN THIS AREA.

MR TSANG OUTLINED THE TIME FRAME FOR MFA'S RETURN TO GATT RULES: ASSUMING THAT THE UR PACKAGE WILL TAKE EFFECT FROM JANUARY 1, 1994, THEN EACH IMPORTING COUNTRY MUST INTEGRATE INTO THE GATT PRODUCTS REPRESENTING 16 PER CENT OF THE VOLUME OF IMPORTS COVERED BY THE AGREEMENT ON THE FIRST DAY OF IMPLEMENTATION; A FURTHER 17 PER CENT BY JANUARY 1997; AND ANOTHER 18 PER CENT BY JANUARY 2001 WHILE THE REMAINING 49 PER CENT WILL BE INTEGRATED AT THE END OF THE AGREEMENT WHICH IS JANUARY 2004.

THE PRODUCTS TO BE INTEGRATED AT EACH STAGE WILL INCLUDE A COMBINATION OF TOPS AND YARNS, FABRICS, MADE-UP TEXTILE PRODUCTS AND CLOTHING TO BE CHOSEN BY THE IMPORTING COUNTRY.

"IN PRACTICE, IMPORTING COUNTRIES WILL CHOOSE THE PRODUCTS TO BE PHASED OUT VERY CAREFULLY.

"FEW PRODUCTS OF ANY REAL TRADE INTEREST TO HONG KONG WILL BE PHASED OUT UNTIL THE LATTER STAGES," MR TSANG EXPLAINED.

"FOR PRODUCTS NOT YET INTEGRATED INTO THE GATT, QUOTA LEVEL WILL BE BUILT ON EXISTING RESTRAINT LIMITS, AND DURING THE TRANSITION PERIOD, BE INCREASED AT A FASTER RATE THAN THE PRESENT, BY SLIGHTLY ENHANCING THE GROWTH RATES FOR EACH CATEGORY.

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"FLEXIBILITY PROVISIONS WILL REMAIN THROUGHOUT THE TRANSITION BUT ANY EXISTING CUMULATIVE LIMITS ON THE USE OF SUCH PROVISIONS WILL BE REMOVED," HE CONTINUED.

ON THE WHOLE, MR TSANG BELIEVED THE UR PACKAGE SHOULD PROVIDE OUR TRADE WITH A GREATER DEGREE OF CERTAINTY OVER THE NEXT 10 YEARS ON THE BASIS OF IMPROVED GROWTH LEVELS.

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GOVT LOTS SOLD FOR \$143 MILLION

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TWO PIECES OF GOVERNMENT LAND WERE SOLD FOR A TOTAL OF \$143 MILLION BY THE BUILDINGS AND LANDS DEPARTMENT IN A PUBLIC AUCTION THIS (FRIDAY) AFTERNOON.

THE FIRST LOT IS AT 35-42 ROSE STREET, YAU YAT TSUEN, KOWLOON.

IT WAS SOLD TO SANDSPRINGS LTD AT \$98 MILLION WITH BIDDING OPENED AT \$60 MILLION.

WITH AN AREA OF ABOUT 1,312 SQUARE METRES, THE LAND IS INTENDED FOR PRIVATE RESIDENTIAL PURPOSES.

ACCORDING TO THE BUILDING COVENANT, THE DEVELOPER HAS TO COMPLETE A GROSS FLOOR AREA OF NOT LESS THAN 1,650 SQUARE METRES WITHIN THE TIME LIMIT LAID DOWN BY THE DIRECTOR OF BUILDINGS AND LANDS UPON REDEVELOPMENT.

THE SECOND LOT IS AT MUI WO FERRY PIER ROAD, MUI WO, LANTAU ISLAND. IT WAS BOUGHT BY NEW GROW DEVELOPMENT LTD AT THE ONSET PRICE OF \$45 MILLION.

THE SITE WHICH HAS AN AREA OF ABOUT 741 SQUARE METRES IS EARMARKED FOR NON-INDUSTRIAL (EXCLUDING GODOWN, CINEMA AND HOTEL) PURPOSES.

THE BUILDING COVENANT STIPULATES THAT THE DEVELOPER HAS TO COMPLETE A GROSS FLOOR AREA OF NOT LESS THAN 2,085 SQUARE METRES ON OR BEFORE DECEMBER 31, 1995.

THE AUCTION WAS CONDUCTED BY GOVERNMENT LAND AGENT, MR ROGER HARDING, IN THE CITY HALL THEATRE.

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HK TO STRENGTHEN TRADE LOBBYING EFFORTS IN U.S.

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THE GOVERNMENT IS DETERMINED TO DO A THOROUGHLY GOOD JOB IN CONVINCING THE UNITED STATES ADMINISTRATION, SENATORS AND CONGRESSMEN THAT THE MOST IMMEDIATE THREAT TO HONG KONG'S STRONG ECONOMIC FUNDAMENTALS LAY IN THE POSSIBILITY THAT THE UNITED STATES MIGHT WITHDRAW MOST FAVOURED-NATION (MFN) TRADING STATUS FROM CHINA.

THIS WAS STATED BY THE DEPUTY DIRECTOR-GENERAL OF TRADE, MR CHRISTOPHER JACKSON, TODAY (FRIDAY) WHEN HE SPOKE IN A FORUM ON "HONG KONG TRADE ISSUES" ORGANISED BY THE HONG KONG ECONOMIC ASSOCIATION OF THE CHINESE UNIVERSITY OF HONG KONG.

MR JACKSON SAID THE GOVERNMENT WOULD ARGUE THAT EVEN CONDITIONING MFN WAS A HIGH-RISK STRATEGY AND THAT MEASURED MINDS AND STEADY HANDS MUST GUIDE THIS HIGHLY CHARGED ISSUE TO A SENSIBLE CONCLUSION, IN THE BEST INTERESTS OF ALL.

"WE ARE REVIEWING THE DETAILS OF OUR LOBBYING MESSAGE AND OUR LOBBYING RESOURCES, WE WILL STRENGTHEN BOTH AND TARGET THEM CAREFULLY.

"AND WE WILL WORK CLOSELY WITH PRIVATE SECTOR INTERESTS, FOR THEY TOO HAVE AN IMPORTANT PART TO PLAY IN THIS EXERCISE," HE SAID.

THE TOPIC OF MR JACKSON'S TALK WAS "HONG KONG IN THE PRESENT WORLD TRADE ENVIRONMENT".

HE SAID THE WORLD TRADE ENVIRONMENT WAS GOING THROUGH A DIFFICULT PATCH WITH A LONG RECESSION AMONG MAJOR WESTERN ECONOMIES AND DIFFICULTIES STILL TO BE OVERCOME IN THE URUGUAY ROUND.

"SO THE CHALLENGES BEFORE US ARE MANY, BUT SO ARE THE OPPORTUNITIES", HE SAID.

HE SAID HE BELIEVED INTERNATIONAL TRADE WAS STILL GROWING.

"THE CERTAINTY IS THAT HONG KONG IS BETTER PLACED THAN ALMOST ANY OTHER PLACE ON THIS PLANET TO TAKE ADVANTAGE OF FUTURE ECONOMIC GROWTH.

"WE FACE ENORMOUS OPPORTUNITIES. THE CHALLENGE IS TO MAKE THE LAST OF THEM," MR JACKSON SAID.

IN HIS SPEECH, MR JACKSON REFUTED THE COMMON NOTION THAT "HONG KONG'S BORDER WITH CHINA IS VANISHING". HE SAID THIS WAS AN OVER-SIMPLIFICATION.

HE FIRMLY ARGUED THAT HONG KONG'S CONTRIBUTION TO THE DRAMATIC ECONOMIC GROWTH IN SOUTHERN CHINA COULD BEST BE SAFEGUARDED BY ENSURING THAT "THE BORDER REMAINS A VERY REAL ONE; THAT IT IS NOT A VANISHING BORDER."

"IT IS VITALLY IMPORTANT TO INTERNATIONAL BUSINESS CONFIDENCE THAT WE BUILD ON OUR SUCCESSFUL DEVELOPMENTS AND RE-ENFORCE CONFIDENCE IN HONG KONG'S SEPARATE ECONOMIC AND COMMERCIAL STATUS.

"THE JOINT DECLARATION, AND INDEED THE BASIC LAW, PROVIDE FOR THE FUTURE SPECIAL ADMINISTRATIVE REGION (SAR) TO RETAIN HONG KONG'S STATUS AS A FREE PORT AND AS A SEPARATE CUSTOMS TERRITORY; AS AN INTERNATIONAL FINANCIAL CENTRE, WITH FREE FLOW OF CAPITAL.

"THESE ARRANGEMENTS ARE ALREADY IN PLACE," MR JACKSON SAID.

A TIGHTLY CONTROLLED BORDER WAS SO IMPORTANT TO HONG KONG'S SEPARATE ECONOMIC AND COMMERCIAL STATUS, WHICH WAS WHY THE TRADE DEVELOPMENT HAD TAKEN VERY SERIOUSLY ACCUSATIONS THAT SOME OF HONG KONG'S TEXTILES QUOTA WAS BEING USED TO COVER SHIPMENTS OF CHINA-MADE GOODS; OR THAT HONG KONG WAS BEING USED AS A TRANSHIPMENT ROUTE FOR FRAUDULENT CONSIGNMENTS.

MR JACKSON ADMITTED THAT NO SYSTEM WAS PERFECT BUT "WE TAKE THESE TRANSGRESSIONS VERY SERIOUSLY."

"NOT ONLY DO THEY BREACH OUR BILATERAL TEXTILES AGREEMENTS, THEY CHIP AWAY AT THE VERY BASIS OF OUR COMMERCIAL AUTONOMY."

"WE WILL DO EVERYTHING IN OUR POWER TO STOP SUCH ACTIVITY, THROUGH BORDER CHECKS, SPOT-CHECKS IN FACTORIES THROUGHOUT HONG KONG, CO-OPERATION WITH OTHER CUSTOMS AUTHORITIES, THE GATHERING OF INTELLIGENCE, REWARDING INFORMERS AND THROUGH LEGAL ACTION AGAINST INFRINGEMENTS.

"HONG KONG'S COMMERCIAL AUTONOMY MUST BE VIGOROUSLY ENFORCED TO BE CREDIBLE. THERE MUST BE NO VANISHING BORDER, FOR THE ECONOMIC GOOD OF ALL INVOLVED," HE SAID.

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HK A VITAL BASE FOR OVERSEAS FIRMS
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HONG KONG IS AN IMPORTANT LOCATION FOR OVERSEAS COMPANIES WITH AN INTEREST IN ASIA-PACIFIC, THE DIRECTOR-GENERAL OF INDUSTRY, MR T H BARMA, SAID TODAY (FRIDAY).

SPEAKING AT A SEMINAR IN COLOGNE, GERMANY, MR BARMA SAID MANY ENTERPRISES CHOSE TO SET UP THEIR REGIONAL HEADQUARTERS AND REPRESENTATIONAL OFFICES IN HONG KONG TO TAKE ADVANTAGE OF ITS EFFICIENT INFRASTRUCTURE AND CLOSE TIES WITHIN THE REGION.

AS AT MID-1991, 880 COMPANIES HAD DONE SO.

REGARDING MANUFACTURING, MR BARMA SAID THE TOTAL VALUE OF OVERSEAS INVESTMENT AT ORIGINAL COST AT THE END OF 1991 WAS OVER \$34.3 BILLION.

JAPAN WAS THE LEADING SOURCE COUNTRY OF OVERSEAS INDUSTRIAL INVESTMENT, ACCOUNTING FOR 32 PER CENT OF THE TOTAL VALUE. THE UNITED STATES CAME SECOND WITH 28 PER CENT, AND CHINA THIRD WITH 11 PER CENT.

MR BARMA SAID OVER THE YEARS, HONG KONG HAD ESTABLISHED ITS STATUS AS AN INTERNATIONAL FINANCIAL AND SERVICE CENTRE.

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"THERE ARE NOW SOME 480 OVERSEAS BANKS REPRESENTED HERE FROM AROUND THE WORLD. AN OVERWHELMING MAJORITY OF THE WORLD'S TOP BANKS IN TERMS OF TOTAL ASSETS ARE PRESENT HERE," HE SAID.

NOTING THAT HONG KONG'S STOCK MARKET WAS AT PRESENT ONE OF THE LARGEST AND MOST ACTIVE IN ASIA, MR BARMA SAID SOME 400 PUBLIC COMPANIES WERE CURRENTLY LISTED ON THE HONG KONG STOCK EXCHANGE, WITH A TOTAL MARKET CAPITALISATION OF ABOUT \$1,443 BILLION.

"THIS HAS MADE HONG KONG THE SECOND LARGEST STOCK MARKET IN ASIA, AFTER JAPAN. MANY OF THE WORLD'S MAJOR SECURITIES HOUSES AND INSURANCE COMPANIES ARE PRESENT HERE," HE SAID.

MR BARMA SAID THE OPENING OF THE BORDER WITH CHINA IN 1978 GAVE HONG KONG NEW IMPETUS IN ITS ECONOMIC DEVELOPMENT, WITH HONG KONG BUSINESS CARRYING ON LOW-COST, HIGH-VOLUME AND LABOUR-INTENSIVE MANUFACTURING ACTIVITIES ACROSS THE BORDER IN GUANGDONG IN SOUTHERN CHINA.

"THIS HONG KONG/SOUTHERN CHINA PARTNERSHIP NOW HAS A SUCCESSFUL TRACK RECORD OF 14 YEARS," HE SAID.

MR BARMA SAID THE CLOSE ECONOMIC RELATIONSHIP BETWEEN HONG KONG AND CHINA HAD PLACED HONG KONG IN A UNIQUE POSITION TO CONTRIBUTE TOWARDS CHINA'S ECONOMIC DEVELOPMENT WHILE FURTHERING ITS OWN.

"THE OPENING OF CHINA AS A MARKET AND A SOURCE OF LABOUR AND LAND FACILITATES THE FURTHER UPGRADING AND TRANSFORMATION OF HONG KONG'S OWN ECONOMY.

"THE FLOURISHING RE-EXPORT TRADE BRINGS BUSINESS NOT ONLY TO OUR TRADERS, BUT ALSO OUR SERVICE SECTOR SUCH AS TRANSPORTATION, COMMUNICATION, FINANCE AND EVEN TOURISM.

"THIS ENHANCES HONG KONG'S POSITION AS AN INTERNATIONAL COMMERCIAL AND FINANCIAL CENTRE.

"OUTWARD PROCESSING ACTIVITIES IN CHINA ALSO ALLOW HONG KONG COMPANIES TO CONCENTRATE THEIR EFFORTS IN MARKETING AND DEVELOPING MORE CAPITAL INTENSIVE, HIGHER TECHNOLOGY, AND HIGHER VALUE-ADDED MANUFACTURING IN HONG KONG AND TO MOVE UP MARKET," HE SAID.

MR BARMA ADDED THAT COMPETITIVE MANUFACTURING INVOLVED THE STRATEGIC LOCATION OF THE LOW-COST ACTIVITIES SO THAT THE MORE COMPLEX ACTIVITIES WERE IN CONVENIENT PROXIMITY.

"THUS AS FAR AS THE INDUSTRIAL DEVELOPMENT OF HONG KONG IS CONCERNED, THE SHIFTING OF HONG KONG'S LABOUR INTENSIVE ASSEMBLY OPERATIONS INTO SOUTHERN CHINA HAS CREATED A STRONG DEMAND FOR HONG KONG TO BECOME A SUPPORT BASE NOT ONLY IN PROVIDING A VARIETY OF TECHNOLOGICAL SERVICES BUT ALSO IN THE SUPPLY OF MATERIALS, PARTS, COMPONENTS AND TOOLING," HE SAID.

MR BARMA SAID THE RELOCATION PROCESS HAD ALSO ENABLED HONG KONG MANUFACTURERS AND THEIR WORKFORCE TO CONCENTRATE ON THE MORE SKILL-INTENSIVE ACTIVITIES LOCALLY, THEREBY CONTRIBUTING DIRECTLY TO THE SUBSTANTIAL IMPROVEMENT IN LABOUR PRODUCTIVITY.

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"YOU WILL BE INTERESTED TO KNOW THAT INVESTMENT IN PLANT AND MACHINERY INCREASED BY 17 PER CENT AND LABOUR PRODUCTIVITY BY 11 PER CENT LAST YEAR.

"THUS NOTWITHSTANDING THE CHANGES TO HONG KONG'S ECONOMIC STRUCTURE WHICH HAS BEEN A REDUCED SHARE OF MANUFACTURING TO THE GDP, THE ACTUAL VOLUME OF INDUSTRIAL OUTPUT HAS NOT DECLINED AND THERE STILL EXISTS A VERY STRONG INDUSTRIAL BASE IN HONG KONG," HE SAID.

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279 RETURN TO VIETNAM

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A GROUP OF 279 VIETNAMESE MIGRANTS RETURNED HOME TODAY (FRIDAY) UNDER THE UNHCR VOLUNTARY REPATRIATION PROGRAMME, BRINGING THE TOTAL NUMBER OF VOLUNTEERS RETURNED THIS MONTH TO 1,477.

THIS IS THE FIRST TIME THAT THE FIGURE FOR ONE MONTH HAS SURPASSED THE 1,400 MARK AND IS ALSO THE HIGHEST IN ONE SINGLE MONTH SINCE THE PROGRAMME STARTED.

A GOVERNMENT SPOKESMAN SAID THIS WAS A VERY ENCOURAGING TREND WHICH INDICATED THAT MORE AND MORE VIETNAMESE MIGRANTS WERE REALISING THAT THEIR ONLY FUTURE WAS TO START A NEW LIFE BACK HOME.

"UNHCR'S ASSISTANCE IN COUNSELLING MIGRANTS IN THE CAMPS AND IN MONITORING THE WELL-BEING OF RETURNEES ARE MAJOR FACTORS FOR THE SUCCESS OF THE PROGRAMME," THE SPOKESMAN ADDED.

TODAY'S FLIGHT WAS THE SIXTH THIS MONTH AND THE 136TH SINCE THE PROGRAMME STARTED IN MARCH 1989. THE 279 RETURNEES COMPRISED 110 MEN, 75 WOMEN, 51 BOYS AND 43 GIRLS.

THIS GROUP BROUGHT TO 11,395 THE TOTAL NUMBER OF VIETNAMESE MIGRANTS WHO HAVE RETURNED VOLUNTARILY THIS YEAR, AND TO 25,375 THE TOTAL NUMBER OF RETURNEES SINCE THE PROGRAMME STARTED.

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CHRISTMAS MAIL ARRANGEMENTS

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THE ACTING POSTMASTER GENERAL, MRS DORIS HO, ANNOUNCED TODAY (FRIDAY) THAT THE LATEST DATE FOR POSTING CHRISTMAS CARDS FOR LOCAL DELIVERY BEFORE CHRISTMAS IS DECEMBER 19 (SATURDAY).

POSTINGS AFTER THIS DATE MIGHT RUN THE RISK OF NOT BEING DELIVERED IN TIME BECAUSE OF ANTICIPATED PRESSURES.

SHE ADVISED MEMBERS OF THE PUBLIC TO POST AS EARLY AS POSSIBLE TO AVOID A LAST-MINUTE RUSH.

/MRS HO

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MRS HO ALSO ANNOUNCED THAT A SPECIAL MAIL DELIVERY WOULD BE PROVIDED ON DECEMBER 20 (SUNDAY) AND ON DECEMBER 27.

A SPECIAL COLLECTION SERVICE WILL ALSO BE PROVIDED ON DECEMBER 20. NO DELIVERY WILL BE MADE ON CHRISTMAS DAY AND NEW YEAR'S DAY.

ALL POST OFFICES WILL BE CLOSED DURING THE CHRISTMAS HOLIDAYS AND NEW YEAR'S DAY.

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DEADLINE FOR APPLICATION FOR OPERATING NEW GREEN MINIBUS ROUTES
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THE TRANSPORT DEPARTMENT REMINDED TRANSPORT OPERATORS INTERESTED IN RUNNING 19 NEW GREEN MINIBUS ROUTES FOR VARIOUS DISTRICTS TO SUBMIT APPLICATIONS ON OR BEFORE NEXT FRIDAY (DECEMBER 4).

A SPOKESMAN FOR THE DEPARTMENT SAID MORE THAN 500 FORMS HAD ALREADY BEEN DISTRIBUTED SINCE APPLICATIONS WERE INVITED ON NOVEMBER 6.

A SELECTION BOARD COMPRISING A NON-GOVERNMENT MEMBER OF THE TRANSPORT ADVISORY COMMITTEE AND OFFICIALS FROM THE TRANSPORT DEPARTMENT AND RELEVANT DEPARTMENTS WILL MEET TO CHOOSE THE OPERATORS IN ACCORDANCE WITH THE BOARD'S ESTABLISHED CRITERIA.

"THESE CRITERIA COVER THE APPLICANT'S EXPERIENCE IN TRANSPORT SERVICE, FINANCIAL RESOURCES, MANAGEMENT RIGHT OVER THE VEHICLES AND THE MAINTENANCE RECORD OF THE VEHICLES AS WELL AS THE QUALITY OF HIS VEHICLES TO BE DEPLOYED, INCLUDING THE AVAILABILITY OF AIR-CONDITIONING," THE SPOKESMAN SAID.

FOR ANY APPLICANT WHO IS IN PARTNERSHIP OR INTENDS TO ENTER INTO PARTNERSHIP WITH ONE OR MORE PERSONS FOR OPERATING THE GREEN MINIBUS SERVICES, THE SPOKESMAN PROPOSED A COMPANY BE FORMED UNDER THE COMPANIES ORDINANCE AND THE APPLICATION BE MADE IN THE NAME OF THE COMPANY.

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FRIDAY, NOVEMBER 27, 1992

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CLOSING TIME AT LOK MA CHAU BORDER EXTENDED

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THE CLOSING TIME OF LOK MA CHAU BORDER CROSSING FOR GOODS VEHICLES WILL BE FURTHER EXTENDED FROM 8 PM TO 10 PM WITH EFFECT FROM DECEMBER 1.

A GOVERNMENT SPOKESMAN SAID TODAY (FRIDAY) THAT THE EXTENSION FOLLOWED RECENT DISCUSSIONS AND AGREEMENT WITH THE CHINESE AUTHORITIES TO COPE WITH THE GROWING CROSS BORDER TRAFFIC.

THE OPENING TIME FOR THE CROSSING WILL REMAIN UNCHANGED AT 7 AM.

"IT IS HOPED THAT THIS NEW ARRANGEMENT WOULD HELP TO SPREAD TRAFFIC DEMAND, THUS EASING CONGESTION," THE SPOKESMAN ADDED.

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TWO TUNNEL COMPANIES DECLARED AS PUBLIC BODIES

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THE LIST OF PUBLIC BODIES UNDER THE PREVENTION OF BRIBERY ORDINANCE IS AMENDED TO INCLUDE THE OPERATORS OF THE EASTERN HARBOUR CROSSING AND THE TATE'S CAIRN TUNNEL.

UNDER THE AMENDMENT OF SCHEDULE (NO. 2) ORDER 1992 OF THE PREVENTION OF BRIBERY ORDINANCE GAZETTED TODAY (FRIDAY), THE NEW HONG KONG TUNNEL COMPANY LIMITED AND THE TATE'S CAIRN TUNNEL COMPANY LIMITED ARE LISTED AS PUBLIC BODIES.

THE INCLUSION OF THESE TWO COMPANIES IN THE SCHEDULE MEANS THAT THEIR EMPLOYEES, OFFICERS OR MEMBERS AS WELL AS PERSONS HAVING DEALINGS WITH THE TWO COMPANIES ARE SUBJECT TO THE RELEVANT PROVISIONS OF THE ORDINANCE.

THE CROSS HARBOUR TUNNEL COMPANY LIMITED HAS ALREADY BEEN INCLUDED IN THE SCHEDULE TO THE ORDINANCE.

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FRIDAY, NOVEMBER 27, 1992

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PRE-WAR BUILDINGS IN CENTRAL DECLARED DANGEROUS

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THE BUILDING AUTHORITY TODAY (FRIDAY) DECLARED FIVE PRE-WAR BUILDINGS ON TUNG MAN STREET IN CENTRAL DANGEROUS, AND 10 OTHER BUILDINGS ON THE SAME STREET LIABLE TO BECOME DANGEROUS.

THE BUILDINGS DECLARED DANGEROUS ARE AT 3, 5, 19, 29 AND 31 TUNG MAN STREET, AND THOSE LIABLE TO BECOME DANGEROUS ARE AT 7, 9, 21, 23, 25, 27, 33, 35, 37 AND 39 OF THE STREET.

IN A STATEMENT ISSUED THIS (FRIDAY) MORNING, THE PRINCIPAL GOVERNMENT BUILDING SURVEYOR SAID ALL THE BUILDINGS WERE BUILT BEFORE THE WAR.

THEY ALL HAD LOAD-BEARING WALLS AND NEARLY ALL HAD TIMBER FLOOR AND ROOF JOISTS, HE ADDED.

THE BUILDINGS AT 15 AND 17 OF THE STREET WERE A PARTIALLY REINFORCED CONCRETE FRAMED STRUCTURE WITH LOAD-BEARING PARTY-WALLS SHARED WITH THOSE AT 13 AND 19.

SOME OF THE STRUCTURAL ELEMENTS WERE SHOWING SIGNS OF DILAPIDATION.

THE LOAD-BEARING PARTY-WALLS IN A NUMBER OF CASES WERE CONSIDERED DEFECTIVE AS EVIDENCED BY MANY FRACTURES IN AND THROUGH THE PARTY-WALLS, ERODED BRICKWORK AND BULGING PARTY-WALLS.

THE OVERALL CONDITION OF THE STRUCTURAL TIMBER MEMBERS IN THE BUILDINGS WAS POOR WITH DEFECTIVE TIMBERS IN NEARLY ALL THE BUILDINGS, IN PARTICULAR THE ROOFS.

THE CONDITION OF THE BUILDINGS LED TO CONCERN OVER PUBLIC SAFETY IN THIS NARROW AND WELL-USED PUBLIC THOROUGHFARE AS EVIDENCED BY THE TEMPORARY PRECAUTIONARY MEASURES THAT HAVE BEEN TAKEN IN RESPECT OF SOME BUILDINGS ON THE OPPOSITE SIDE OF THE STREET AT 20-26 AND 30.

THESE BUILDINGS WERE CLOSED UNDER EMERGENCY ORDERS ON NOVEMBER 3 THIS YEAR OWING TO IMMINENT DANGER ARISING FROM SEVERE DEFECTS IN THE STRUCTURAL WALLS AND TIMBER STRUCTURAL MEMBERS.

THE BUILDINGS AT 11 AND 13 OF TUNG MAN STREET WERE CLOSED EARLIER BECAUSE OF THEIR DANGEROUS CONDITION AND ARE AWAITING DEMOLITION.

THE BUILDINGS AT 3-9 AND 19-39 OF TUNG MAN STREET ARE STRUCTURALLY DEPENDANT ON EACH OTHER FOR SUPPORT AND CANNOT WITHSTAND DEMOLITION OF ADJOINING BUILDINGS.

THEY SHOULD ALL BE DEMOLISHED IN ONE OPERATION IN THE INTERESTS OF PUBLIC SAFETY ALONG WITH THOSE ON THE OPPOSITE SIDE OF THE STREET.

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SOME OF THE AFFECTED BUILDINGS HAVE BEEN RESUMED BY THE GOVERNMENT AND THE PRINCIPAL GOVERNMENT LAND AGENT HAS BEEN ADVISED TO TAKE CONCURRENT ACTION IN RESPECT OF THE BUILDINGS UNDER HIS CONTROL, THAT IS THOSE AT 7, 9, 19, 21, 23, 33 AND 39 TUNG MAN STREET.

IN VIEW OF THE ANTICIPATED SHORT LIFE OF THE BUILDINGS, THE PRINCIPAL GOVERNMENT LAND AGENT HAS ALSO BEEN ADVISED TO DEMOLISH THE BUILDING AT 15-17 OF TUNG MAN STREET BECAUSE OF THE EXTENSIVE WORKS REQUIRED TO RETAIN THIS BUILDING.

SIMILAR RECOMMENDATIONS HAVE ALSO BEEN GIVEN TO THE PRINCIPAL GOVERNMENT LAND AGENT IN RESPECT OF NO. 41.

NOTICES OF INTENTION TO APPLY FOR CLOSURE ORDERS IN RESPECT OF NOS. 3, 5, 25, 27, 29, 31, 35 AND 37 TUNG MAN STREET ON DECEMBER 30, 1992 WERE POSTED ON THE BUILDINGS TODAY.

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FLAG DAYS LINED UP FOR 1993

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A TOTAL OF 51 ORGANISATIONS WILL HOLD FLAG DAYS TO RAISE FUNDS FROM JANUARY 2 NEXT YEAR, A SOCIAL WELFARE DEPARTMENT SPOKESMAN SAID TODAY (FRIDAY).

FOUR OF THEM WILL HOLD THEIR FLAG DAYS ON TUESDAY OR WEDNESDAY MORNINGS AS RECOMMENDED BY THE SUBVENTIONS AND LOTTERIES FUND ADVISORY COMMITTEE. THE FLAG DAYS ORGANISED BY THE OTHERS WILL FALL ON SATURDAY MORNINGS AS USUAL.

THE SPOKESMAN POINTED OUT THAT TRADITIONALLY, FLAG SELLING WAS RESTRICTED TO SATURDAY MORNINGS.

"HOWEVER, APPLICATIONS FOR FLAG DAYS HAVE BEEN INCREASING EACH YEAR. IN 1991 AND 1992, 44 FLAG DAYS WERE ALLOCATED AS AGAINST 47 APPLICATIONS RECEIVED FOR 1991 AND 63 FOR 1992," HE SAID.

IT WAS OBVIOUS THAT THERE WAS A NEED FOR MORE FLAG DAYS, OTHERWISE DESERVING APPLICATIONS WOULD HAVE TO BE REJECTED, HE ADDED.

"TO RESTRICT THE NUMBER OF FLAG DAYS WILL NOT ONLY DENY OPPORTUNITIES TO RAISE FUNDS FOR WORTHY CAUSES, BUT WILL ALSO MEAN THAT THE POTENTIAL FOR HOLDING FLAG DAYS CANNOT BE FULLY EXPLOITED," HE SAID.

THE SOCIAL WELFARE DEPARTMENT THEREFORE CONSIDERS THAT TIME HAD COME TO ALLOW THE EXTENSION OF FLAG DAYS TO NON-SATURDAYS FOR GENUINELY DESERVING APPLICANTS.

THE PROPOSAL WAS DISCUSSED AND ENDORSED BY THE SUBVENTIONS AND LOTTERIES FUND ADVISORY COMMITTEE, WHICH IS THE APPROVING AUTHORITY OF FLAG DAY ALLOCATION, THE SPOKESMAN SAID.

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"THUS, FOR THE FIRST TIME IN HONG KONG, FOUR ORGANISATIONS WILL BE ALLOWED, ON AN EXPERIMENTAL BASIS, TO HOLD THEIR FLAG DAYS ON WEEKDAYS," HE SAID.

MEMBERS OF THE PUBLIC CAN CONTACT THE SOCIAL WELFARE DEPARTMENT ON TELEPHONE 892 5278 OR ITS HOTLINE 343 2255 IN CASE OF ANY DOUBTS ABOUT ANY PARTICULAR WELFARE ORGANISATION, HE SAID.

HE APPEALED TO ORGANISERS TO ADOPT PRECAUTIONARY MEASURES AGAINST ANY POSSIBLE FRAUD, ADDING THAT THEY SHOULD EXERCISE GREATER EFFORTS IN MONITORING THEIR FLAG SELLING ACTIVITIES.

THE ORGANISERS WERE ADVISED TO PREPARE GUIDELINES FOR SELLERS, SETTING OUT THE PLACES AND THE TIME FOR SELLING, AND THE COLLECTION POINTS FOR BAGS.

"FLAG-DAY ORGANISERS SHOULD INFORM THE POLICE IN CASE OF LOSS OF FLAGS OR COLLECTION BAGS, AND SEEK HELP WHEN FRAUDULENT ACTS, SUCH AS TAMPERING OF COLLECTION BAGS OR MAKING UNAUTHORISED SELLING, ARE FOUND," HE SAID.

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EXAM FEE FOR CERTIFICATE OF COMPETENCY REVISED

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THE EXAMINATION FEE FOR THE ISSUE OR ENDORSEMENT OF A CERTIFICATE OF COMPETENCY UNDER THE BOILERS AND PRESSURE VESSELS REGULATION HAS BEEN ADJUSTED WITH IMMEDIATE EFFECT.

THE ADJUSTMENT IS PUBLISHED IN THE GAZETTE TODAY (FRIDAY).

"THE FEE FOR CARRYING OUT THE EXAMINATION, INCLUDING THE ISSUE OR ENDORSEMENT OF A CERTIFICATE TO QUALIFIED CANDIDATE, HAS BEEN RAISED FROM \$330 TO \$450," SAID A SPOKESMAN FOR THE LABOUR DEPARTMENT.

HE EXPLAINED THAT CERTIFICATES OF COMPETENCY WERE ISSUED UNDER SECTION 6 OF THE BOILERS AND PRESSURE VESSELS ORDINANCE TO CERTIFY THAT THE HOLDERS ARE COMPETENT TO OPERATE SPECIFIED TYPE OF BOILERS AND STEAM RECEIVERS, OR TO ENDORSE THAT THE HOLDER IS COMPETENT TO OPERATE ONE OR MORE TYPES OF BOILERS AND STEAM RECEIVERS IN ADDITION TO THE TYPE SPECIFIED IN THE CERTIFICATE.

THE FEE WAS LAST REVISED IN AUGUST 1989 AND THE PRESENT REVISION TOOK INTO CONSIDERATION THE COSTING IN RESPECT OF THE EXAMINATION.

ENQUIRIES ABOUT THE EXAMINATION FEES MAY BE DIRECTED TO THE PRESSURE EQUIPMENT DIVISION OF THE LABOUR DEPARTMENT ON TEL 852 4179.

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FRIDAY, NOVEMBER 27, 1992

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TENDERS FOR TRANSPORTATION SERVICE
PROVISION TO CUSTOMS & EXCISE DEPARTMENT
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TENDERS ARE INVITED FOR THE PROVISION OF TRANSPORTATION SERVICES TO THE CUSTOMS AND EXCISE DEPARTMENT FOR A PERIOD OF 12 MONTHS STARTING FROM THE DATE OF ACCEPTANCE.

AS GAZETTED TODAY (FRIDAY), THE VEHICLES WILL BE USED TO TRANSPORT ANY CONFISCATED GOODS IN AND OUT OF STOREHOUSES WITHIN THE TERRITORY OF HONG KONG.

IT IS EXPECTED THAT THE TOTAL HIRING FREQUENCIES WILL BE IN THE REGION OF 500 TIMES.

FORMS OF TENDER AND FURTHER PARTICULARS MAY BE OBTAINED FROM THE SUPPLIES SECTION OF THE CUSTOMS AND EXCISE DEPARTMENT, HARBOUR BUILDING, EIGHTH FLOOR, 38 PIER ROAD, CENTRAL, HONG KONG.

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OWNERS ALERTED ON IMPOSTERS
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THE LABOUR DEPARTMENT TODAY (FRIDAY) ADVISED COMPANY OWNERS TO BE WATCHFUL FOR PEOPLE IMPERSONATING AS OFFICERS OF THE DEPARTMENT.

A LABOUR DEPARTMENT SPOKESMAN SAID THE OPERATOR OF A FOOD COMPANY IN SHA TIN HAD RECEIVED A CALL FROM SOMEONE CLAIMING TO BE A LABOUR OFFICER SEEKING DONATIONS IN THE FORM OF BUYING PORCELAIN PLATES.

HE EXPLAINED THAT DEPARTMENTAL OFFICERS WOULD NOT NORMALLY APPROACH THE PUBLIC FOR CASH DONATIONS.

"WHERE DONATION IS OFFERED AS A GOODWILL GESTURE TOWARDS THE DEPARTMENT'S INDUSTRIAL SAFETY PROMOTIONAL EVENTS, THE PUBLIC COULD ALWAYS APPROACH THE DEPARTMENT DIRECTLY," THE SPOKESMAN SAID.

"IF OWNERS HAVE DOUBTS ABOUT A CALLER'S IDENTITY, THEY SHOULD ASK FOR HIS CONTACT TELEPHONE NUMBER OR ADDRESS FOR IDENTIFICATION PURPOSES," HE SAID.

"THEY SHOULD ALSO CHECK WITH THE LABOUR DEPARTMENT OR REPORT IMMEDIATELY TO THE NEAREST POLICE STATION," HE ADDED.

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CONSTRUCTION OF COLUMBARIUM AT CAPE COLLINSON

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THE ARCHITECTURAL SERVICES DEPARTMENT IS INVITING TENDERS FOR THE CONSTRUCTION OF THE SIXTH COLUMBARIUM BLOCK AT CAPE COLLINSON CREMATORIUM.

THE PROJECT INVOLVES THE CONSTRUCTION OF A SEVEN-STOREY COLUMBARIUM BLOCK THAT PROVIDES A TOTAL OF 19,894 STANDARD NICHEs EACH MEASURING 220 MM HIGH, 270 MM WIDE AND 410 MM DEEP.

THE CONTRACTOR HAS TO PROVIDE STAIRCASES AND A PASSENGER LIFT WITHIN THE BLOCK. AN ANCILLARY TOILET BLOCK ADJACENT TO THE COLUMBARIUM BLOCK WILL ALSO BE INCLUDED.

GROUND FLOOR OF THE TOILET BLOCK WILL HAVE BOTH MALE AND FEMALE TOILETS WHILE ITS FIRST FLOOR WILL ACCOMMODATE A FIRE SERVICES TANK AND A REPROVISIONED FRESH WATER STORAGE TANK.

WORKS ARE EXPECTED TO START IN MARCH NEXT YEAR AND BE COMPLETED IN JUNE 1994.

DEADLINE FOR SUBMITTING TENDERS IS NOON ON DECEMBER 18.

TENDER FORMS AND FURTHER PARTICULARS MAY BE OBTAINED FROM THE ARCHITECTURAL SERVICES DEPARTMENT, 34TH FLOOR, QUEENSWAY GOVERNMENT OFFICES, 66 QUEENSWAY, HONG KONG.

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RECONSTRUCTION OF FOOTBRIDGE IN TAI O

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THE HIGHWAYS DEPARTMENT IS INVITING TENDERS FOR THE RECONSTRUCTION OF A FOOTBRIDGE AT HANG MEI, TAI O, ON LANTAU ISLAND.

THE NEW FOOTBRIDGE, OF REINFORCED CONCRETE CONSTRUCTION, WILL REPLACE THE ADJACENT SUBSTANDARD FOOTBRIDGE.

WORK IS EXPECTED TO START IN MARCH NEXT YEAR AND WILL TAKE 12 MONTHS TO COMPLETE.

TENDER DOCUMENTS ARE OBTAINABLE FROM THE REGIONAL HIGHWAY ENGINEER/NEW TERRITORIES, HIGHWAYS DEPARTMENT, THIRD FLOOR, ROOM 314, HO MAN TIN GOVERNMENT OFFICES, 88 CHUNG HAU STREET, KOWLOON.

ENQUIRIES CAN BE MADE ON TEL 762 3519 OR 762 3544.

TENDERS MUST BE ADDRESSED TO THE CHAIRMAN OF THE PUBLIC WORKS TENDER BOARD AND PLACED IN THE PUBLIC WORKS TENDER BOX, 34TH FLOOR, QUEENSWAY GOVERNMENT OFFICES, 66 QUEENSWAY, HONG KONG BEFORE NOON ON FRIDAY, DECEMBER 18.

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FRIDAY, NOVEMBER 27, 1992

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TENDERS INVITED FOR WATER MAINS LAYING

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THE WATER SUPPLIES DEPARTMENT IS INVITING TENDERS FOR THE LAYING OF WATER MAINS IN TSUEN WAN AND TUEN MUN TO HELP IMPROVE FRESH WATER SUPPLY TO THE FORMER DISTRICT AS WELL AS BOTH FRESH AND SALT WATER SUPPLIES TO EASTERN TUEN MUN.

THE FIRST CONTRACT INVOLVES THE LAYING OF FRESH WATER MAINS ALONG A NEW ROAD CALLED ROAD 2/1, YEUNG UK ROAD AND TEXACO ROAD IN TSUEN WAN.

THE PROJECT CONSTITUTES THE REMAINING WORKS IN THE PROVISION OF ADDITIONAL TREATMENT AND TRANSFER FACILITIES AT YAU KAM TAU, TSUEN WAN.

WORKS INCLUDE THE LAYING OF 830 METRES OF MILD STEEL FRESH WATER MAINS WITH DIAMETERS RANGING FROM 600 TO 1,000 MILLIMETRES ALONG ROAD 2/1 AS WELL AS THE LAYING OF 850 METRES OF DUCTILE IRON FRESH WATER MAINS OF 400 MILLIMETRES IN DIAMETER ALONG YEUNG UK ROAD AND TEXACO ROAD.

THE SECOND CONTRACT, ON THE OTHER HAND, INVOLVES THE LAYING OF 800 METRES OF DUCTILE IRON FRESH WATER MAINS WITH DIAMETERS RANGING FROM 250 TO 400 MILLIMETRES ALONG TAI LAM CHUNG ROAD.

THE CONTRACTOR IS ALSO REQUIRED TO LAY 2,700 METRES AND 600 METRES OF DUCTILE IRON SALT WATER MAINS FROM CASTLE PEAK ROAD TO TAI LAM CHUNG AND ALONG SO KWUN WAT ROAD FROM CASTLE PEAK ROAD TO SO KWUN WAT ROAD UNDERPASS RESPECTIVELY. THE DIAMETERS RANGE FROM 200 TO 600 MILLIMETRES.

WORKS UNDER BOTH CONTRACTS ARE EXPECTED TO BEGIN IN FEBRUARY NEXT YEAR AND WILL TAKE ABOUT A YEAR TO COMPLETE.

TENDER FORMS AND FURTHER PARTICULARS MAY BE OBTAINED FROM THE WATER SUPPLIES DEPARTMENT, 44TH FLOOR, WANCHAI TOWER 2, 7 GLOUCESTER ROAD, WAN CHAI, HONG KONG.

TENDER OFFERS WILL CLOSE AT NOON ON DECEMBER 18.

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SCHOOL MANAGEMENT INITIATIVE SCHEME EXTENDS TO PRIMARY SCHOOLS

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THE EDUCATION DEPARTMENT PLANS TO EXTEND THE SCHOOL MANAGEMENT INITIATIVE SCHEME (SMI) TO PRIMARY SCHOOLS NEXT SEPTEMBER AND TO SPECIAL SCHOOLS IN SEPTEMBER 1994, THE DIRECTOR OF EDUCATION, MR DOMINIC S W WONG, SAID TODAY (FRIDAY).

SPEAKING AT THE SHA TIN GOVERNMENT SECONDARY SCHOOL SPEECH DAY, MR WONG SAID THE SMI WAS AN EXCELLENT WAY OF DEVOLVING AUTHORITY TO SCHOOLS TO MANAGE THEIR OWN FINANCES AND AFFAIRS MORE FLEXIBLY.

"IT IS ALSO ANOTHER EXCELLENT WAY OF ENCOURAGING THE PARTICIPATION OF TEACHERS, PAST STUDENTS AND PARENTS IN THE MANAGEMENT OF THEIR SCHOOLS," HE SAID.

MR WONG SAID SMI WOULD HELP ENHANCE COMMUNICATION, DETERMINE SCHOOL OBJECTIVES AND ACHIEVE MORE EFFECTIVE AND EFFICIENT USE OF RESOURCES, ALL OF WHICH WOULD BENEFIT STUDENTS.

SO FAR, ONLY 34 SECONDARY SCHOOLS HAD JOINED THE SCHEME. MANY MORE WOULD ENROL WHEN FURTHER APPLICATIONS WERE INVITED NEXT MARCH.

"I WOULD BE SURPRISED IF TEACHERS, PAST STUDENTS AND PARENTS WISHED TO REMAIN 'SILENT PARTNERS' FOR LONG," MR WONG SAID.

EARLIER, HE COMPLIMENTED THE SHA TIN GOVERNMENT SECONDARY SCHOOL FOR FORMALISING CHANNELS OF COMMUNICATION AMONG TEACHERS, STUDENTS AND PARENTS BY SETTING UP A STAFF ADVISORY COUNCIL AND A STUDENT COUNCIL.

MR WONG SAID THESE WERE INGREDIENTS WHICH WOULD FIT IN WELL WITH THE CONCEPT OF WHOLE SCHOOL APPROACH TO GUIDANCE, WHICH THE DEPARTMENT WAS ACTIVELY PROMOTING.

HE ADDED THAT HE INTENDED TO STRENGTHEN THE THREE-WAY CHANNEL OF COMMUNICATION THROUGH THE SETTING UP OF A CENTRALISED COMMITTEE ON HOME-SCHOOL CO-OPERATION EARLY NEXT YEAR.

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TSUEN WAN ARTS FESTIVAL

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THE 14TH TSUEN WAN ARTS FESTIVAL WILL START ON DECEMBER 20 AND LAST UNTIL JANUARY 17 NEXT YEAR.

JOINTLY ORGANISED BY THE TSUEN WAN DISTRICT BOARD AND THE DISTRICT'S CULTURE AND RECREATION CO-ORDINATION ASSOCIATION, THE ANNUAL EVENT IS AIMED AT PROMOTING PERFORMING ARTS AND ENCOURAGING ACTIVE PARTICIPATION BY LOCAL GROUPS.

ON OFFER WILL BE A WIDE RANGE OF PROGRAMMES INCLUDING CANTONESE OPERAS, POP CONCERTS, DRAMAS, VARIETY SHOWS AND FILMS.

THE HIGHLIGHT WILL BE PERFORMANCES BY TWO TROUPES FROM CHINA.

TICKETS FOR THE PROGRAMMES ARE NOW ON SALE AT URBIX OUTLETS.

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FIRING PRACTICE IN DECEMBER

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FIRING PRACTICE WILL TAKE PLACE AT THE HA TSUEN-CASTLE PEAK RANGE ON 14 DAYS NEXT MONTH.

THE PUBLIC IS WARNED NOT TO ENTER THE AREA WHEN RED FLAGS ARE HOISTED.

FOLLOWING ARE THE DATES AND TIMES THAT FIRING PRACTICE WILL TAKE PLACE:

DATE	TIME
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DECEMBER 1 (TUESDAY)	8.30 AM - 5 PM
DECEMBER 2 (WEDNESDAY)	0.01 AM - 11.59 PM
DECEMBER 3 (THURSDAY)	0.01 AM - 11.59 PM
DECEMBER 4 (FRIDAY)	0.01 AM - 5 PM
DECEMBER 7 (MONDAY)	8.30 AM - 5 PM
DECEMBER 8 (TUESDAY)	8.30 AM - 5 PM
DECEMBER 9 (WEDNESDAY)	8.30 AM - 5 PM
DECEMBER 10 (THURSDAY)	8.30 AM - 5 PM
DECEMBER 11 (FRIDAY)	8.30 AM - 5 PM
DECEMBER 14 (MONDAY)	8.30 AM - 5 PM
DECEMBER 15 (TUESDAY)	8.30 AM - 5 PM
DECEMBER 16 (WEDNESDAY)	8.30 AM - 5 PM
DECEMBER 17 (THURSDAY)	8.30 AM - 5 PM
DECEMBER 18 (FRIDAY)	8.30 AM - 5 PM

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FRIDAY, NOVEMBER 27, 1992

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

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	\$ MILLION -----
OPENING BALANCE IN THE ACCOUNT	1,500
REVERSAL OF LAF	NIL
BALANCE AFTER REVERSAL OF LAF	1,500
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	+1,300
CLOSING BALANCE IN THE ACCOUNT	2,800
LAF RATE 2.00 BID/4.00 OFFER TWI 113.6 *+0.2* 27.11.92	

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS			HONG KONG GOVERNMENT BONDS			
TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	3.90 PCT	15 MONTHS	2402	5.50	101.23	4.49
1 MONTH	3.73 PCT	18 MONTHS	2405	5.50	101.22	4.68
3 MONTHS	3.80 PCT	21 MONTHS	2408	4.375	99.28	4.87
6 MONTHS	3.92 PCT	24 MONTHS	2411	4.625	99.28	5.08
12 MONTHS	4.36 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 5,529MN

CLOSED 27 NOVEMBER 1992

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