DAILY INFORMATION BULLETIN

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BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

TUESDAY, FEBRUARY 22, 1994

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CONSUMER PRICE INDICES FOR JANUARY 1994

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THE CONSUMER PRICE INDEX (A) IN JANUARY THIS YEAR WAS 6.2% HIGHER THAN IN JANUARY LAST YEAR, ACCORDING TO FIGURES RELEASED TODAY (TUESDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

THIS WAS SIGNIFICANTLY LOWER THAN THE CORRESPONDING INCREASE OF 8.6% IN DECEMBER LAST YEAR AND WAS THE LOWEST SINCE NOVEMBER 1987.

A GOVERNMENT SPOKESMAN, HOWEVER, POINTED OUT THAT THE YEAR-ON-YEAR COMPARISON IN THE MONTH OF JANUARY IS DISTORTED BY THE DIFFERENCE IN TIMING OF THE LUNAR NEW YEAR, WHICH OCCURRED IN JANUARY LAST YEAR BUT IN FEBRUARY THIS YEAR.

HENCE, NOTWITHSTANDING THE MODERATION RECORDED IN JANUARY, THE CPI WILL VERY LIKELY SHOW A FASTER YEAR-ON-YEAR RATE OF INCREASE IN FEBRUARY.

"AS THE PRICES OF FRESH FOOD ITEMS IN JANUARY THIS YEAR WERE RELATIVELY LOW AND AS, BY CONTRAST, THEY WERE RELATIVELY HIGH NEAR THE LUNAR NEW YEAR PERIOD IN JANUARY LAST YEAR, THE FOOD COMPONENT INDEX OF THE CPI EXCLUDING EATING OUT SHOWED A DECLINE WHEN COMPARED BETWEEN THE TWO MONTHS, AND THIS HELPED TO DAMPEN THE OVERALL INCREASE IN THE CPI," HE EXPLAINED.

THE CPI(B) AND THE HANG SENG CPI WERE HIGHER BY 6.9% AND 9.0% RESPECTIVELY IN JANUARY 1994 THAN IN JANUARY 1993. THE CORRESPONDING INCREASES IN DECEMBER 1993 WERE 8.5% AND 10.2%.

THE COMPOSITE CPI, WHICH IS COMPILED BASED ON THE COMBINED EXPENDITURE PATTERN OF HOUSEHOLDS COVERED BY THE THREE CPI'S, SHOWED AN INCREASE OF 7.2% IN JANUARY 1994 OVER THE SAME MONTH IN 1993. THIS WAS ALSO LOWER THAN THE CORRESPONDING INCREASE OF 9.0% IN DECEMBER 1993.

COMPARING JANUARY 1994 WITH JANUARY 1993, THE PRICES OF FOOD (EXCLUDING MEALS AT RESTAURANTS) REGISTERED DECREASES (-1.6% IN THE CPI(A) AND -0.9% IN THE CPI(B)).

AMONG THE VARIOUS COMPONENT INDICES, RELATIVELY SLOWER INCREASES IN PRICES WERE RECORDED FOR FUEL AND LIGHT (2.2% IN THE CPI(A) AND 2.3% IN THE CPI(B)); DURABLE GOODS (2.3% AND 2.4%); MISCELLANEOUS GOODS (6.9% AND 6.1%); AND CLOTHING AND FOOTWEAR (6.9% AND 6.8%).

ON THE OTHER HAND, RELATIVELY FASTER INCREASES IN PRICES WERE RECORDED FOR TRANSPORT (9.9% IN THE CPI(A) AND 9.6% IN THE CPI(B)); HOUSING (9.8% AND 10.3%); AND MISCELLANEOUS SERVICES (9.1% AND 8.3%).

AS FOR MEALS AT RESTAURANTS AND ALCOHOLIC DRINKS AND TOBACCO, THEIR CORRESPONDING INCREASES WERE 7.6% AND 8.9% IN THE CPI(A) AND 7.5% AND 8.3% IN THE CPI(B).

/COMPARING JANUARY ....

COMPARING JANUARY 1994 WITH DECEMBER 1993, THE CPI(A) AND CPI(B) DECREASED BY 0.3% AND 0.1% RESPECTIVELY. HOWEVER, THIS COMPARISON COULD HAVE BEEN AFFECTED BY SEASONAL FACTORS.

FOR THE THREE MONTHS ENDING JANUARY 1994, THE CPI(A) AND CPI(B) WERE, ON AVERAGE, HIGHER BY 7.8% AND 8.0% RESPECTIVELY THAN IN THE THREE MONTHS ENDING JANUARY 1993.

FOR THE 12 MONTHS ENDING JANUARY 1994, THE CPI(A) AND CPI(B) WERE, ON AVERAGE, HIGHER BY 8.2% AND 8.4% RESPECTIVELY THAN IN THE PRECEDING 12-MONTH PERIOD.

SEASONALLY ADJUSTED SERIES ARE ALSO AVAILABLE FOR THE CPI'S. THE DESEASONALISED CPI(A) AND CPI(B) INCREASED AT AN AVERAGE RATE OF 0.1% AND 0.3% RESPECTIVELY PER MONTH DURING THE THREE MONTHS ENDING JANUARY 1994.

HOWEVER, THESE SEASONALLY ADJUSTED FIGURES MAY NOT HAVE TAKEN ADEQUATE ACCOUNT OF THE DIFFERENCE IN TIMING OF THE LUNAR NEW YEAR.

THE CONSUMER PRICE INDEX REPORT

MORE DETAILS ARE GIVEN IN THE "CONSUMER PRICE INDEX REPORT" FOR JANUARY 1994, WHICH IS AVAILABLE AT $16.5 A COPY FROM THE GOVERNMENT PUBLICATIONS CENTRE, GENERAL POST OFFICE BUILDING, GROUND FLOOR, CONNAUGHT PLACE, HONG KONG; OR FROM THE PUBLICATIONS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER, 12 HARBOUR ROAD, WAN CHAI, HONG KONG.

FOR LOCAL AND OVERSEAS MAILINGS, CONTACT SHOULD BE MADE WITH THE INFORMATION SERVICES DEPARTMENT, FRENCH MISSION BUILDING, 1 BATTERY PATH, HONG KONG.

FOR ENQUIRIES ABOUT THE INDICES, PLEASE TELEPHONE THE CONSUMER PRICE INDEX SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON 805 6403.

DETAILS OF THE HANG SENG CPI ARE CONTAINED IN THE HANG SENG CPI REPORT ISSUED BY THE ECONOMIC RESEARCH DEPARTMENT OF HANG SENG BANK LTD.

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/TABLE 1 ......

Table 1 Consumer Price Indices and Rates of Increase for January 1994

(Oct. 89 - Sep. 90 = 100)

	CPI(A)		CPI(B)		Hang Seng CPI		Composite CPI	
Component	Index for Jan 94	% change over Jan 93	Index for Jan 94	% change over Jan 93	Index for Jan 94	% change over Jan 93	Index for Jan 94	% change over Jan 93
Food	134.4	+3.1	136.7	+4.1	139.7	+7.1	136.3	+4.3
Meals bought away from home	145.0	+7.6	144.9	+7.5	147.0	+11.3	145.4	+8.4
Food, excluding meals bought away from home	124.0	-1.6	125.4	-0.9	127.2	-0.4	125.0	-1.1
Housing	156.3	+9.8	157.9	+10.3	161.7	+13.3	158.6	+11.1
Fuel and light	122.1	+2.2	121.5	+2.3	122.0	+2.5	121.9	+2.3
Alcoholic drinks and tobacco	181.1	+8.9	170.3	+8.3	165.1	+8.3	175.1	+8.6
Clothing and footwear	127.8	+6.9	128.2	+6.8	137.0	+10.7	131.1	+8.2
Durable goods	109.9	+2.3	109.2	+2.4	114.1	+2.6	110.9	+2.4
Miscellaneous goods	128.5	+6.9	125.4	+6.1	123.4	+5.6	126.0	+6.3
Transport	140.7	+9.9	140.7	+9.6	140.5	+8.2	140.7	+9.3
Miscellaneous services	151.2	+9.1	146.7	+8.3	138.9	+6.6	145.7	+8.1
All items	140.0	+6.2	140.7	+6.9	143.4	+9.0	141.1	+7.2

The 1989/90-based consumer price indices are based on the expenditure patterns derived from the 1989/90 Household Expenditure Survey. The CPI(A) is based on the expenditure pattern of about 50% of urban households in Hong Kong, which had an average monthly expenditure of $2,500-$9,999 in 1989/90. The CPI(B) is based on the expenditure pattern of the next 30% of urban households, which had an average monthly expenditure of $10,000-$17,499 in the same period. The Hang Seng CPI is based on the expenditure pattern of the next 10% of urban households, which had an average monthly expenditure of $17,500-$37,499 in 1989/90.

Whereas the CPI(A), CPI(B) and Hang Seng CPI are based on the expenditure patterns of groups of households with different magnitudes of household expenditure, the Composite CPI is compiled based on the expenditure pattern of all these households taken together. Thus, while the CPI(A), CPI(B) and Hang Seng CPI show the impact of consumer price changes on different groups of households, the Composite CPI shows the impact of consumer price changes on the household sector generally.

/TABLE 2 ....

Table 2 Consumer Price Indices for January 1991 - January 1994
(Oct. 89 - Sep. 90 = 100)

Year/month		CPI(A)	CPI(B)	Hang Seng CPI	Composite CPI
1991	January	108.3	108.4	108.6	108.4
	February	110.3	110.1	110.2	110.2
	March	111.9	111.1	110.7	111.3
	April	113.9	113.0	112.0	113.1
	May	114.0	113.6	113.4	113.7
	June	114.6	114.1	113.9	114.2
	July	115.4	114.8	113.9	114.8
	August	116.0	115.3	114.6	115.4
	September	116.8	116.1	115.8	116.3
	October	117.2	116.8	117.4	117.1
	November	117.7	117.6	118.7	117.9
	December	118.1	118.3	118.5	118.3
1992	January	119.7	119.3	119.4	119.5
	February	121.8	121.2	121.0	121.4
	March	122.5	121.9	121.8	122.1
	April	124.0	123.4	122.9	123.5
	May	124.0	123.8	124.2	124.0
	June	125.3	125.1	125.2	125.2
	July	125.5	125.4	125.4	125.4
	August	125.6	125.9	125.8	125.8
	September	128.3	127.9	127.5	128.0
	October	128.4	128.4	128.6	128.5
	November	128.5	129.0	129.9	129.0
	December	129.3	129.8	130.0	129.7
1993	January	131.8	131.6	131.5	131.7
	February	132.4	132.2	132.0	132.2
	March	132.0	132.2	133.1	132.4
	April	133.5	133.9	134.5	133.9
	May	134.5	134.8	136.3	135.1
	June	136.0	135.9	137.1	136.3
	July	135.8	136.1	136.9	136.2
	August	136.3	136.6	137.4	136.7
	September	138.4	138.3	139.2	138.6
	October	140.0	139.6	140.7	140.0
	November	139.4	139.9	142.2	140.3
	December	140.4	140.9	143.3	141.3
1994	January	140.0	140.7	143.4	141.1

/CHART 1 ......

Chart 1 Year-on-year Rates of Increase in CPI(A)

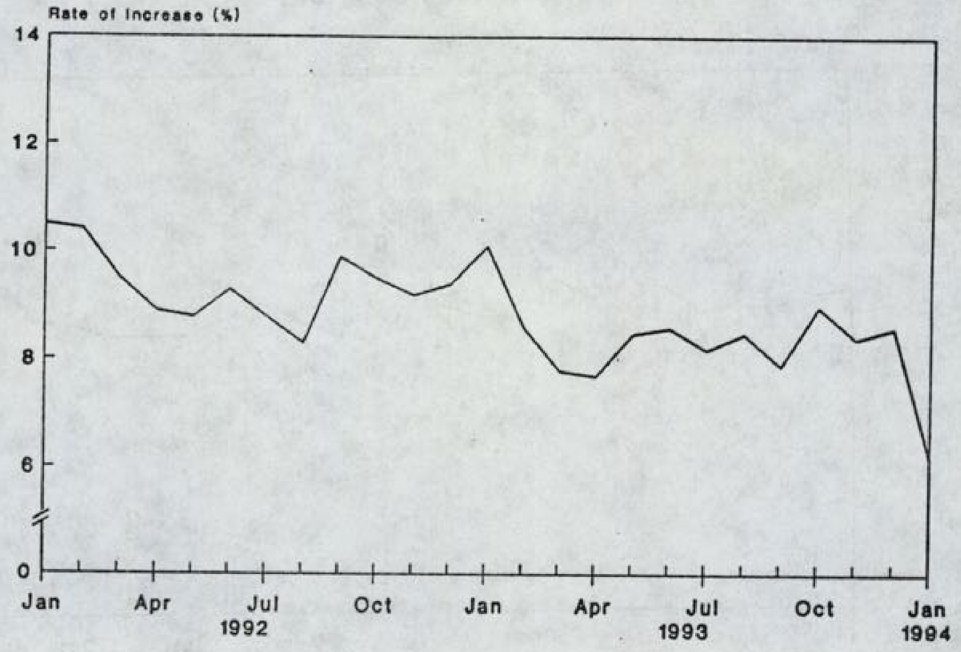
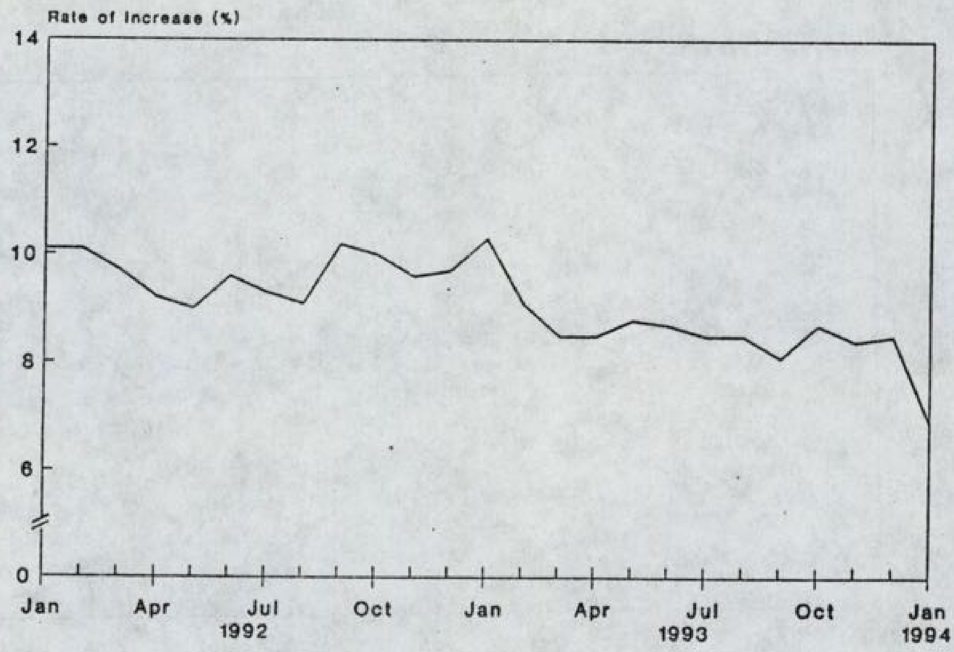


Chart 2 Year-on-year Rates of Increase in CPI(B)



/CHART 3 ....

Chart 3 Year-on-year Rates of Increase in Hang Seng CPI

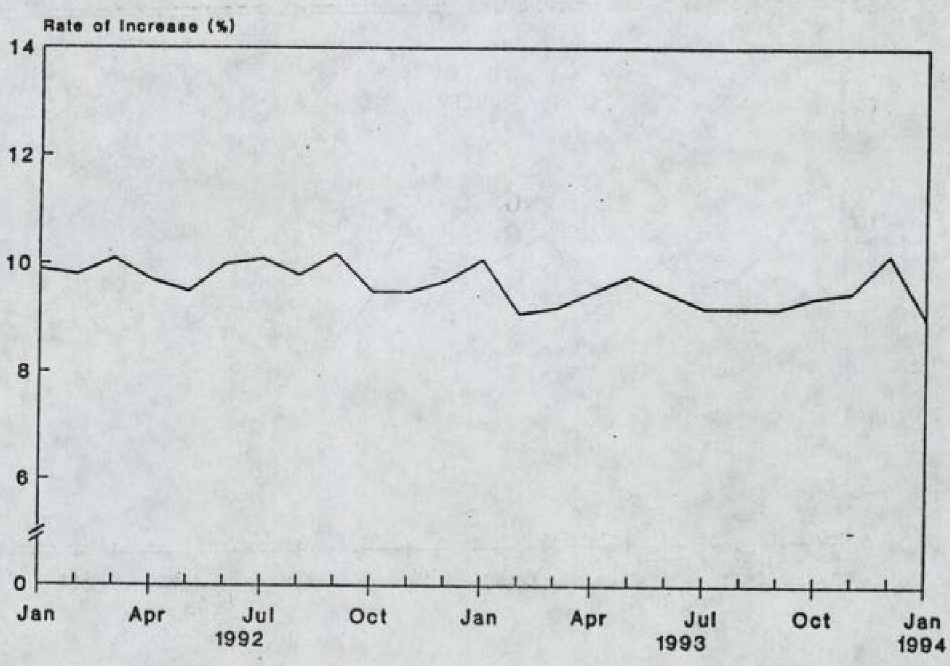
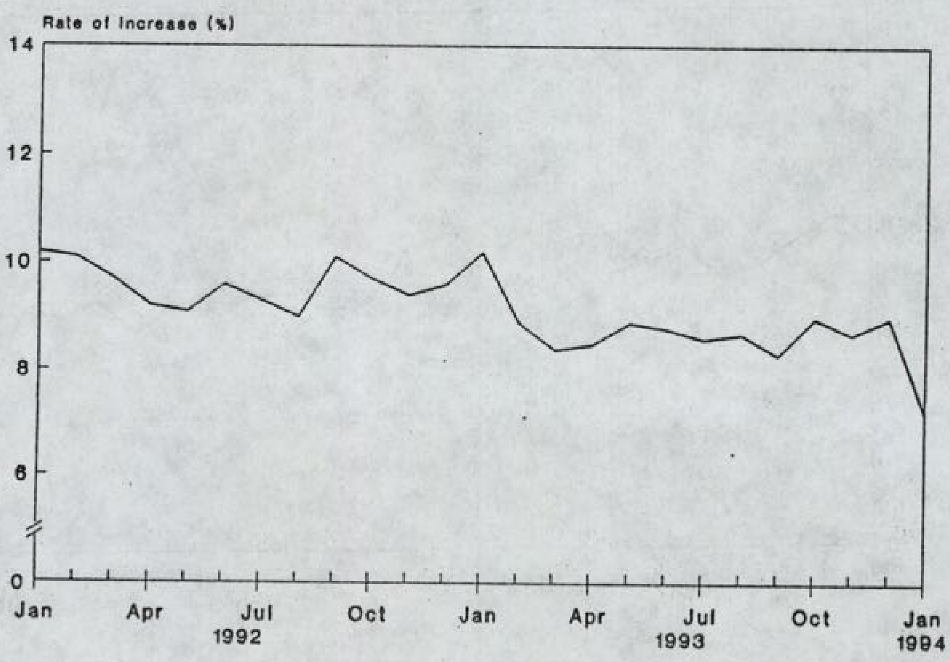


Chart 4 Year-on-year Rates of Increase in Composite CPI



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PRELIMINARY FINDINGS OF PROPERTY REVIEW 1994 RELEASED

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THE RATING AND VALUATION DEPARTMENT TODAY (TUESDAY) RELEASED THE PRELIMINARY FINDINGS OF THE PROPERTY REVIEW 1994.

THE EXERCISE TO REVIEW PRODUCTION AND ACTIVITY IN THE PROPERTY MARKET LAST YEAR AND TO FORECAST SUPPLY FOR 1994 AND 1995 IS NEARING COMPLETION.

THE PRELIMINARY FINDINGS ON SUPPLY, FORECAST, TAKE-UP AND VACANCY FOR PRIVATE DOMESTIC, OFFICES, COMMERCIAL AND FLATTED FACTORIES ARE:

PRIVATE DOMESTIC - SMALL/MEDIUM UNITS (SALEABLE AREA LESS THAN 100 SQUARE METRES)

THERE WERE SOME 26,700 UNITS COMPLETED IN 1993, WHICH IS ABOUT 6 PER CENT MORE THAN IN 1992.

ALTHOUGH THIS IS WELL SHORT OF THE 35,600 FORECAST IN LAST YEAR'S REVIEW, SOME 6,000 UNITS ORIGINALLY INCLUDED IN THE 1993 FORECAST WERE VIRTUALLY COMPLETED AT THE YEAR END AND 5,100 OF THESE HAVE ALREADY RECEIVED OCCUPATION PERMITS AS AT TODAY'S DATE.

YUEN LONG, TUEN MUN, NORTH AND SHA TIN IN THE NEW TERRITORIES ACCOUNT FOR 55 PER CENT OF THE TOTAL YEAR'S SUPPLY.

TAKE-UP WAS HIGHER THAN IN 1992 BUT WAS MATCHED BY THE SUPPLY. THE VACANCY RATE AT THE YEAR END DROPPED SLIGHTLY TO 3.9 PER CENT OF STOCK.

THE NUMBER OF UNITS FORECAST TO BE COMPLETED IN 1994 IS AROUND 32,000. AGAIN, MUCH OF THE FORECAST WILL BE IN THE NEW TERRITORIES. A FURTHER 29,000 UNITS ARE EXPECTED TO BE COMPLETED IN 1995.

PRIVATE DOMESTIC - LARGE UNITS (SALEABLE AREA 100 SQUARE METRES AND OVER)

THE SUPPLY OF LARGE DOMESTIC FLATS IN 1993 DROPPED FURTHER FROM 1,080 UNITS IN 1992 TO 980 UNITS. THIS IS THE LOWEST SINCE 1976. FORTY-THREE PER CENT OF THE NEW UNITS ARE IN MID-LEVELS. THE OTHERS ARE MAINLY IN THE DISTRICTS OF HAPPY VALLEY, SHA TIN AND SAI KUNG.

ALTHOUGH THE SUPPLY FIGURE MATCHES THAT FOR TAKE-UP, VACANCY AS A PERCENTAGE OF STOCK DROPPED SLIGHTLY FROM 4.5 PER CENT TO 3.9 PER CENT AT THE END OF 1993. THIS IS MAINLY DUE TO DEMOLITION OF ABOUT 360 UNITS DURING THE YEAR.

SUPPLY IN 1994 AND 1995 IS FORECAST TO INCREASE TO 1,450 AND 3,100 RESPECTIVELY. A VERY SIGNIFICANT PROPORTION WILL BE IN THE NEW TERRITORIES - 60 PER CENT IN 1994 AND 75 PER CENT IN 1995. THESE ARE MAINLY IN DISCOVERY BAY AND IN YUEN LONG DISTRICT.

/OFFICES ....

OFFICES

THE OVERALL SUPPLY IN 1993 DROPPED TO 413,000 SQUARE METRES, WHICH IS 27 PER CENT LESS THAN THE 1992 SUPPLY AND ABOUT 12 PER CENT LESS THAN THE 472,000 SQUARE METRES FORECAST IN LAST YEAR'S REVIEW.

TAKE-UP EXCEEDS SUPPLY BY 30 PER CENT AND HENCE CAUSED THE VACANCY RATE TO DROP FROM 9.7 PER CENT AT THE END OF 1992 TO 6.7 PER CENT.

A SIMILAR AMOUNT OF SPACE, AT ABOUT 420,000 SQUARE METRES, IS FORECAST TO BE COMPLETED IN 1994, WITH 27 PER CENT MORE (535,000 SQUARE METRES) COMING ON STREAM IN 1995.

WHILST THE NEW FLOOR SPACE WILL MOSTLY BE FOUND IN SHEUNG WAN, WAN CHAI, NORTH POINT AND TSIM SHA TSUI, ABOUT 185,000 SQUARE METRES IS EXPECTED IN THE NON-TRADITIONAL OFFICE AREAS OF HUNG HOM, KWUN TONG AND SHA TIN.

GRADE A

THE SUPPLY OF GRADE A SPACE IN 1993 FELL TO 190,000 SQUARE METRES, A 44 PER CENT DROP FROM THE PRECEDING YEAR. WITH AN INCREASED TAKE-UP OF 367,000 SQUARE METRES, VACANCY AT THE END OF THE YEAR DROPPED TO 4.8 PER CENT OF THE TOTAL STOCK.

SUPPLY IN 1994 IS EXPECTED TO REMAIN LOW AT 208,000 SQUARE METRES WITH NEARLY HALF OF THE SPACE TO BE IN TSIM SHA TSUI. THE REMAINDER WILL BE IN HUNG HOM, KWUN TONG AND SHA TIN.

WHILST FORECASTS FOR 1995 SHOW A SLIGHTLY HIGHER FIGURE OF 254,000 SQUARE METRES, ONLY 27 PER CENT OF THE SPACE WILL BE IN CORE OFFICE DISTRICTS.

FOR CENTRAL, SUPPLY WILL BE VERY TIGHT WITH ONLY 1,000 SQUARE METRES FORECAST TO BE COMPLETED IN THE COMING TWO YEARS.

GRADE B

GRADE B SUPPLY IN 1993 WAS 145,000 SQUARE METRES, BEING AT A SIMILAR LEVEL TO THE PRECEDING YEAR.

TAKE-UP WAS LESS THAN SUPPLY PROBABLY OWING TO THE FACT THAT A NUMBER OF LARGE DEVELOPMENTS WERE COMPLETED NEAR THE END OF THE YEAR. VACANCY AS A RESULT INCREASED SLIGHTLY TO 10.3 PER CENT OF STOCK.

SUPPLY IN 1994 IS EXPECTED TO DROP BY ABOUT 7 PER CENT TO 135,000 SQUARE METRES BUT THE POSITION SHOULD IMPROVE IN 1995 WITH COMPLETIONS OF 205,000 SQUARE METRES.

MUCH OF THE SPACE COMING ON STREAM IN 1994 WILL BE IN SHEUNG WAN AND WAN CHAI WHILST IN 1995, A CONSIDERABLE AMOUNT WILL BE FOUND IN ABERDEEN AND IN NORTH DISTRICT IN THE NEW TERRITORIES.

/GRADE C ....

GRADE C

THE SUPPLY OF GRADE C IN 1993 AT 78,000 SQUARE METRES AND THE TAKE-UP OF 65,000 SQUARE METRES WERE SIMILAR TO THE LEVELS IN THE PRECEDING YEAR. VACANCY AT THE YEAR END ALSO REMAINED AT AROUND 7 PER CENT.

A SIMILAR LEVEL OF COMPLETIONS AT 77,000 SQUARE METRES AND 76,000 SQUARE METRES IS EXPECTED FOR 1994 AND 1995 RESPECTIVELY. MUCH OF THE SUPPLY WILL BE IN SHEUNG WAN, CENTRAL AND TSIM SHA TSUI.

COMMERCIAL

SUPPLY OF COMMERCIAL SPACE IN 1993 WAS 273,000 SQUARE METRES, ABOUT 65 PER CENT MORE THAN IN 1992. HOWEVER, TAKE-UP WAS WELL DOWN RESULTING IN A CONSIDERABLE INCREASE IN VACANCY AT THE YEAR END TO 6.1 PER CENT OF STOCK.

SUPPLY IN 1994 IS FORECAST TO BE SIMILAR TO 1993 AT 270,000 SQUARE METRES ALTHOUGH IT WILL DROP TO 232,000 SQUARE METRES IN 1995.

FLATTED FACTORIES

SUPPLY OF FLATTED FACTORY SPACE IN 1993 WAS 311,000 SQUARE METRES SIGNIFICANTLY LESS THAN IN THE PRECEDING YEAR. NEARLY 80 PER CENT OF THE SPACE IS IN THE NEW TERRITORIES.

TAKE-UP WAS LOW AT 226,000 SQUARE METRES AS A RESULT OF A LARGE AMOUNT OF SPACE (149,000 SQUARE METRES) BEING DEMOLISHED DURING THE YEAR. VACANCY AT THE YEAR END DROPPED SLIGHTLY TO 6.0 PER CENT OF TOTAL STOCK.

COMPLETIONS IN 1994 ARE EXPECTED TO INCREASE TO 351,000 SQUARE METRES AND TO RISE FURTHER TO 583,000 SQUARE METRES IN 1995. AGAIN AROUND HALF OF THE SPACE WILL BE IN THE NEW TERRITORIES.

A SPOKESMAN FOR THE DEPARTMENT SAID READERS WHO MAY NOT BE FAMILIAR WITH THE TERMS AND DEFINITIONS, OR THE BASIS OF COMPILATION OF THE STATISTICAL DATA, SHOULD REFER TO THE TECHNICAL NOTES IN "PROPERTY REVIEW 1993", THE PREVIOUS ISSUE OF THE PUBLICATION.

THEY MAY ALSO CONTACT THE TECHNICAL SECRETARIAT OF THE DEPARTMENT FOR FURTHER HELP.

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/PRIVATE DOMESTIC ......

Private Domestic

	Supply	No. of units Take-up*	Vacancy	%**
All Units				
1991	33 380	23 350	33 000	4.2
1992	26 220	22 680	34 070	4.2
1993	27 670	27 320	32 240	3.9
1994	[33 370]			
1995	[31 820]			
Small/Medium Units (Saleable Area less than 100m²)				
1991	31 650	21 900	29 450	4.1
1992	25 140	21 300	31 330	4.2
1993	26 690	26 360	29 850	3.9
1994	[31 920]			
1995	[28 730]			
Large Units (Saleable Area 100m² and over)				
1991	1 730	1 450	3 550	5.9
1992	1 080	1 380	2 740	4.5
1993	980	960	2 390	3.9
1994	[1 450]			
1995	[3 090]			

'Private domestic' excludes flats built under the Home Ownership, Private Sector Participation, Urban Improvement & Flat-For-Sale Schemes.

* Take-up figures represent the net increase in the number of units occupied in the year under review and are arrived at by adding to the vacancy figures at the beginning of the year, the supply in that year, then subtracting the year demolitions and the year-end vacancy figures.

** Vacancy at the end of the year as a percentage of stock.

[forecast figures]

/OFFICES ....

Offices

(Internal Floor Area '000 m²)

	Supply	Take-up*	Vacancy	%**
All Units				
1991	459	239	505	9.2
1992	565	474	589	9.7
1993	413	537	429	6.7
1994	[420]			
1995	[535]			
Grade A				
1991	279	149	280	9.2
1992	340	272	347	10.2
1993	190	367	170	4.8
1994	[208]			
1995	[254]			
Grade B				
1991	133	51	151	11.2
1992	142	137	153	10.1
1993	145	105	167	10.3
1994	[135]			
1995	[205]			
Grade C/D				
1991	47	39	74	6.6
1992	83	65	89	7.4
1993	78	65	92	7.2
1994	[77]			
1995	[76]			

* Take-up figures represent the net increase in occupied floor space in the year under review and are arrived at by adding to the vacancy figures at the beginning of the year, the supply in that year, then subtracting the year demolitions and the year-end vacancy figures.

** Vacancy at the end of the year as a percentage of stock.

[forecast figures]

N.B. Office grades are determined in accordance with criteria which principally reflect the qualities of construction, finishes, facilities and management. The location of property however is not a criterion.

/COMMERCIAL ....

Commercial

(Internal Floor Area '000 m²)	Supply	Take-up*	Vacancy	%**
1991	205	177	351	4.6
1992	165	124	336	4.4
1993	273	71	481	6.1
1994	[270]			
1995	[232]			

Flatted Factories

(Internal Floor Area '000 m²)	Supply	Take-up*	Vacancy	%**
1991	521	265	1 054	6.2
1992	546	417	1 134	6.4
1993	311	226	1 070	6.0
1994	[351]			
1995	[583]			

* Take-up figures represent the net increase in occupied floor space in the year under review and are arrived at by adding to the vacancy figures at the beginning of the year, the supply in that year, then subtracting the year demolitions and the year-end vacancy figures.

** Vacancy at the end of the year as a percentage of stock.

[forecast figures]

/AVERAGE PRICE ....

Average Price and Rental Movements in 1993 based on Indices compiled by RVD

Types of Private Properties		Average Increase Percentage	
		Price	Rent
Domestic Premises:	Small & Medium Flats (Saleable Area less than 100m²)	18	10
	Large Flats (Saleable Area 100m² and over)	28*	14
Offices:	Grade A & B	20*	10
	Grade C	8	8
Retail Premises:		17	8
Flatted Factories:		16	10

* In certain popular districts and developments, much higher increases were noted.

/UPDATES TO ....

UPDATES TO PRICE INDICES (1989 = 100)

(Note : These figures are provisional pending further data and analysis work and may be amended when the Property Review is published.)

Types of Private Properties	1992 4Q	1993 1Q	2Q*	3Q*	4Q*
Domestic Premises:					
Class A (Up to 39.9m²)	211	208	223	236	239
Class B (40.0 to 69.9m²)	219	220	239	260	265
Class C (70.0 to 99.9m²)	235	233	255	284	291
Class D & E (Over 99.9m²)	217	216	245	273	278
Overall	217	216	234	253	258
Offices:					
Grade A	138	146	149	156	167
Grade B	153	168	169	179	(182)
Grade C	159	159	162	170	172
Overall	144	151	154	163	171
Retail Premises:	218	232	240	252	254
Flatted Factories:	157	163	169	177	182

* Provisional Indices

( ) Indicates fewer than 20 transactions.

/UPDATES TO ....

UPDATES TO RENTAL INDICES (1989 = 100)

(Note : These figures are provisional pending further data and analysis work and may be amended when the Property Review is published.)

Types of Private Properties	1992 4Q	1993 1Q	1993 2Q	1993 3Q*	1993 4Q*
Domestic Premises:					
Class A (Up to 39.9m²)	137	137	138	140	147
Class B (40.0 to 69.9m²)	134	132	135	143	149
Class C (70.0 to 99.9m²)	142	143	145	150	(151)
Class D (100.0 to 159.9m²)	133	134	139	145	147
Class E (Over 159.9m²)	121	125	129	135	144
Overall	134	134	137	142	148
Offices:					
Grade A	100	102	105	108	110
Grade B	102	104	108	110	113
Grade C	111	115	116	118	121
Overall	103	106	108	111	113
Retail Premises:	156	162	164	165	170
Flatted Factories:	121	125	130	131	133

* Provisional Indices

( ) Indicates fewer than 20 transactions.

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TAC ENDORSES 12.9% FARE RISE FOR KMB

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THE TRANSPORT ADVISORY COMMITTEE, AFTER LENGTHY DISCUSSIONS, TODAY (TUESDAY) ENDORSED THE ADMINISTRATION'S RECOMMENDATION THAT KOWLOON MOTOR BUS (KMB) FARES BE RAISED BY A WEIGHTED 12.9% FROM APRIL 1, A REDUCTION OF 6.7% ON THE 19.6% INCREASE SOUGHT BY THE COMPANY.

IN THEIR DELIBERATIONS, MEMBERS CONSIDERED CAREFULLY THE NEED TO MAKE THE FARE INCREASE ACCEPTABLE TO THE PUBLIC ON ONE HAND AND ON THE OTHER HAND TO ENSURE THAT AN EFFICIENT AND ACCEPTABLE STANDARD OF SERVICE WILL BE MAINTAINED.

THE RECOMMENDED RATE OF INCREASE, IF APPROVED BY THE GOVERNOR IN COUNCIL, WILL GIVE KMB A 11.5% RATE OF RETURN ON ITS AVERAGE NET FIXED ASSETS, WHICH IS 4.5 PERCENTAGE POINTS LOWER THAN THE MAXIMUM PERMITTED RETURN OF 16% UNDER THE SCHEME OF CONTROL.

IN ENDORSING THE RECOMMENDED RATE OF INCREASE, MEMBERS NOTED THAT KMB'S OPERATING COSTS ARE EXPECTED TO INCREASE BY 18.1% IN 1994, ATTRIBUTABLE MAINLY TO INCREASES IN WAGES, PRICES, AND MAINTENANCE COSTS TO MEET SAFETY AND ROAD WORTHINESS STANDARDS.

MEMBERS ALSO NOTED THAT KMB'S PROPOSAL TO INTRODUCE 17 NEW ROUTES MAINLY TO NEW DEVELOPMENTS IN TIN SHUI WAI, TSEUNG KWAN O AND EAST KOWLOON IN 1994/95 AND TO IMPROVE BUS FREQUENCY ON 104 ROUTES WILL ALSO HAVE A BEARING ON THE INCREASE IN OPERATING COSTS.

HAVING CONSIDERED THESE FACTORS AND THE EFFORTS MADE BY KMB TO REDUCE COSTS AND INCREASE NON-FAREBOX REVENUES FROM SOURCES SUCH AS ADVERTISING, AS WELL AS PUBLIC AFFORDABILITY AND ACCEPTABILITY, MEMBERS AGREED AN AVERAGE 12.9% FARE INCREASE TO BE FAIR AND REASONABLE.

MEMBERS NOTED THAT IN PUTTING FORWARD THE RECOMMENDATION, THE ADMINISTRATION IS MINDFUL OF THE IMPACT OF THE INCREASE ON INFLATION AND PEOPLE'S LIVELIHOOD. THE RECOMMENDED RATE OF FARE RISE WOULD ONLY INCREASE THE CONSUMER PRICE INDEX A BY A NOMINAL 0.18%.

AT THE MEETING, MEMBERS WERE ALSO BRIEFED ON KMB'S FIVE-YEAR FORWARD PLANNING PROGRAMME FOR 1994-1998.

UNDER THE PROGRAMME, KMB PROPOSED TO INCREASE ITS FLEET SIZE BY 324 BUSES TO 3,505 AT THE END OF 1998, TO MEET GROWING DEMAND FOR BUS SERVICES.

ON OTHER AGENDA ITEMS, MEMBERS NOTED THE DECISION BY KOWLOON CANTON RAILWAY CORPORATION NOT TO INCREASE PASSENGER FARE THIS YEAR.

THEY WERE ALSO BRIEFED BY MASS TRANSIT RAILWAY CORPORATION ON THEIR FARE STRATEGIES.

THE BRIEFINGS BY THE CHAIRMEN OF THE TWO RAILWAY CORPORATIONS TODAY MARKED THE START OF A NEW RELATIONSHIP WITH THE TAC.

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WORKSHOP ON TROPICAL HARDWOODS

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A ONE-DAY WORKSHOP AND CONFERENCE ON TROPICAL HARDWOODS WILL BE HELD AT THE HONG KONG CONVENTION AND EXHIBITION CENTRE TOMORROW (WEDNESDAY), STARTING AT 9.30 AM.

ENTITLED "TROPICAL HARDWOODS; A TIME TO ACT", THE WORKSHOP HAS BEEN COMMISSIONED BY THE ARCHITECTURAL SERVICES DEPARTMENT AND ORGANISED BY ITS INDEPENDENT CONSULTANT, ENVIRONMENTAL RESOURCES MANAGEMENT (ERM) HONG KONG.

THE WORKSHOP SERVES AS A FORUM FOR THE EXCHANGE OF VIEWS AND TO DEVELOP AN UNDERSTANDING OF HONG KONG'S ROLE IN DETERMINING THE FUTURE OF TROPICAL HARDWOOD FORESTS, AND HOW HONG KONG CAN IMPROVE MATTERS ECOLOGICALLY WHILE ALSO GROWING ECONOMICALLY.

"THE WORKSHOP REPRESENTS THE CULMINATION OF A THREE-MONTH STUDY INTO THE SOURCES, USES, AND METHOD OF DISPOSAL OF TROPICAL HARDWOOD TIMBER IN THE TERRITORY," A SPOKESMAN FOR THE DEPARTMENT SAID.

"THE STUDY IS NOT INTENDED TO PROVIDE A DEFINITIVE STRATEGY OR MASTERPLAN FOR HONG KONG WITH REGARD TO THE ISSUE, BUT MERELY TO CLARIFY THE FACTS AND SUGGEST POSSIBLE ALTERNATIVES.

"THE GOAL IS NOT TO STOP LOGGING, BUT RATHER TO ENCOURAGE THE BEST POSSIBLE PRACTICES IN PRODUCING AND USING TIMBER, TAKING INTO ACCOUNT ALL THE COSTS AND BENEFITS TO LOCAL, NATIONAL AND GLOBAL SOCIETIES WITH RESPECT TO BOTH THE LONG AND SHORT-TERM ISSUES.

"IN ACHIEVING THIS, WE MUST CONSIDER HONG KONG'S ROLE IN THE USE OF TROPICAL HARDWOOD TIMBER, AND WHAT WE MIGHT ACHIEVE THROUGH CAREFUL AND DETERMINED ACTION."

SIMILARLY, THE WORKSHOP IS NOT INTENDED TO CREATE ONE SINGLE SOLUTION, NOR IS IT MEANT TO LAY BLAME OR CREATE HOSTILITY, THE SPOKESMAN SAID.

RATHER ITS PURPOSE IS TO PROVIDE A CONSTRUCTIVE FORUM WHERE IDEAS CAN BE EXCHANGED AND SOLUTIONS DEVELOPED, HE ADDED.

THE WORKSHOP WOULD BRING TOGETHER KEY PLAYERS FROM BOTH THE GOVERNMENT AND INDUSTRY, WHO USE HARDWOOD TIMBER, TO BEGIN A DIALOGUE.

THE OUTCOME OF THE DIALOGUE WOULD DETERMINE THE FORM AND EXTENT OF FUTURE ACTIONS TO REDUCE THE IMPACT OF TIMBER EXTRACTION ON THE FAST DEPLETING TROPICAL RAINFORESTS, THE SPOKESMAN SAID.

THE WORKSHOP WILL BE CHAIRED BY DR JUSTIN STEAD, AN INDEPENDENT CONSULTANT WITH MORE THAN 20 YEARS OF EXPERIENCE IN FORESTRY AND NATURAL RESOURCE MANAGEMENT.

BEFORE BECOMING A CONSULTANT, HE WORKED FOR THE OXFORD FORESTRY INSTITUTE, SHELL INTERNATIONAL PETROLEUM AND SIAR BOSSARD.

DR STEAD ALSO HAS WORK EXPERIENCE IN MORE THAN 30 COUNTRIES, SPECIALISING IN THE TROPICAL FOREST AREAS OF LATIN AND SOUTH AMERICA, AFRICA AND SOUTHEAST ASIA.

/AS A ....

AS A CONSULTANT HE HAS LED TEAMS IN THE FIELD AND HAS TAKEN A LEADING ROLE IN STUDYING AND DEVELOPING PLANS FOR SUSTAINABLE FORESTRY.

THE KEY SPEAKER TO THE WORKSHOP WILL BE THE SECRETARY FOR WORKS, MR JAMES BLAKE, WHO WILL DELIVER A SPEECH ON "THE ISSUE OF TROPICAL HARDWOODS: HONG KONG'S ROLE WITHIN A GLOBAL STUDY".

OTHER SPEAKERS WILL INCLUDE DR THOMAS TANG OF ERM, AND MR DAVID MELVILLE OF THE WORLD WIDE FUND FOR NATURE HONG KONG.

REPRESENTATIVES FROM THE PRIVATE SECTOR, INCLUDING THOSE FROM SWIRE PROPERTIES, HONG KONG CONSTRUCTION ASSOCIATION, AND HONG KONG TIMBER IMPORTERS AND EXPORTERS ASSOCIATION, WILL ALSO SPEAK AT THE WORKSHOP.

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ATTENTION NEWS EDITORS:

YOU ARE WELCOME TO SEND REPRESENTATIVES TO COVER THE SEMINAR WHICH WILL TAKE PLACE IN ROOM 601 AT THE HONG KONG CONVENTION AND EXHIBITION CENTRE.

THE SEMINAR WILL BEGIN AT 9.30 AM WITH A WELCOMING SPEECH BY DR STEAD, TO BE FOLLOWED BY MR BLAKE'S SPEECH AT 9.45 AM.

STAFF OF THE ARCHITECTURAL SERVICES DEPARTMENT WILL BE ON HAND TO EXPLAIN DETAILS OF THE STUDY ON THE USE OF HARDWOOD IN HONG KONG.

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GOVERNOR ATTENDS COMMUNITY SPRING RECEPTION

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THE GOVERNOR, THE RT HON CHRISTOPHER PATTEN, AND MRS PATTEN, THIS (TUESDAY) EVENING JOINED ABOUT 1,300 COMMUNITY LEADERS AT A SPRING RECEPTION OF THE CITY AND NEW TERRITORIES ADMINISTRATION.

SPEAKING AT THE RECEPTION, MR PATTEN SAID THE DOG, WHOSE YEAR THIS WAS, SYMBOLISED SAGACITY, LOYALTY, LIVELINESS AND TRUSTWORTHINESS.

"THESE ARE VIRTUES MUCH IN EVIDENCE IN HONG KONG," HE SAID.

"I HAVE NO DOUBT THAT YOUR LOYALTY TOWARDS HONG KONG WILL CONTINUE AND YOUR ABILITY TO MAKE GOOD JUDGMENTS AND DECISIONS WILL MAKE HONG KONG A BETTER PLACE FOR YEARS TO COME," HE TOLD THE GATHERING.

HE SAID HONG KONG COULD TAKE ENCOURAGEMENT FROM THE STRONG PERFORMANCE OF THE ECONOMY, THE DEVELOPMENT OF INFRASTRUCTURE AND IMPROVEMENTS IN THE EDUCATION SYSTEM.

/THIS YEAR ......

THIS YEAR WILL SEE ARRANGEMENTS BEING PUT IN PLACE FOR AN OLD AGE PENSION SCHEME; FURTHER STRENGTHENING OF THE HEALTH CARE SYSTEM AND IMPROVEMENTS IN HOUSING PROGRAMMES.

"IN SEPTEMBER WE WILL SEE THE FIRST OF THE THREE ELECTIONS FOR WHICH LEGISLATION IS NOW BEING PUT IN PLACE," MR PATTEN SAID.

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OFFICIALS VISIT BRIDGE ASSEMBLY YARD IN CHINA

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A TEAM OF GOVERNMENT OFFICIALS LED BY THE SECRETARY FOR WORKS, MR JAMES BLAKE, HAVE PAID A VISIT TO CHINA TO SEE FOR THEMSELVES THE ASSEMBLING OF THE DECK UNITS FOR THE TSING MA BRIDGE WHICH IS TAKING PLACE IN SHATIAN, DONG GUAN.

THE WORK IS BEING DONE AT A 400,000 SQAURE METRE ASSEMBLY YARD WHICH WAS ESTABLISHED ESPECIALLY FOR THIS CONTRACT. MORE THAN 1,000 WORKERS IN CHINA ARE EMPLOYED ON THIS CONTRACT, INCLUDING SPECIALLY SKILLED WELDERS.

MR BLAKE SAID THIS CONTRACT WAS A FURTHER ILLUSTRATION OF THE INTERNATIONAL NATURE OF THE AIRPORT CORE PROGRAMME (ACP), INVOLVING CONTRACTORS AND SUB-CONTRACTORS FROM MANY PARTS OF THE WORLD.

THE DECK UNITS ARE BEING MANUFACTURED IN THE UNITED KINGDOM AND JAPAN, USING MATERIALS FROM THESE COUNTRIES AS WELL AS FROM AUSTRALIA, KOREA AND GERMANY.

THE MORE THAN 35,000 FABRICATED STEEL ELEMENTS FORMING THE SUSPENDED SPANS OF THE BRIDGE ARE BEING SHIPPED VIA HONG KONG TO CHINA IN BATCHES.

IN ADDITION TO ASSEMBLY, THE WORK THERE INVOLVES THE APPLICATION OF THE FULL PROTECTIVE TREATMENT TO THE STEEL SECTIONS AND TESTING OF THE COMPLETED UNITS, INCLUDING ULTRASONIC AND X-RAY EXAMINATION.

THE FIRST OF THE 97 DECK UNITS WILL BE TRANSPORTED TO HONG KONG IN MID-1995 WHEN THEY WILL BE HOISTED INTO PLACE FROM BARGES FOR ATTACHMENT TO THE SUSPENSION CABLES OF THE BRIDGE.

WHEN COMPLETED IN 1997, THE TSING MA BRIDGE WILL BE THE LONGEST SUSPENSION BRIDGE IN THE WORLD CARRYING BOTH RAIL AND ROAD TRAFFIC.

IT WILL FORM PART OF THE LANTAU FIXED CROSSING - ONE OF THE 10 PROJECTS IN THE ACP - AND IS BEING BUILT UNDER THE SUPERVISION OF THE HIGHWAYS DEPARTMENT.

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POLLUTION CASES RELEASED

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A TOTAL OF 40 CONVICTIONS WERE MADE IN THE COURTS LAST MONTH FOR BREACHING ANTI-POLLUTION LEGISLATION ENFORCED BY THE ENVIRONMENTAL PROTECTION DEPARTMENT.

AMONG THEM, 15 WERE CONVICTIONS MADE UNDER THE AIR POLLUTION CONTROL ORDINANCE (APCO), 15 UNDER THE WATER POLLUTION CONTROL ORDINANCE (WPCO), NINE UNDER THE NOISE CONTROL ORDINANCE (NCO), ONE UNDER THE WASTE DISPOSAL ORDINANCE (WDO), A SPOKESMAN FOR THE DEPARTMENT SAID.

THE FINES IMPOSED RANGED FROM $1,000 TO $50,000. EIGHT DYEING FACTORIES WERE PROSECUTED FOR EMITTING EXCESSIVE DARK SMOKE AND THE FINES RANGED FROM $4,000 TO $13,000.

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NOTE TO EDITORS:

THE LIST OF CONVICTED CASES AND THE ASSOCIATED FINES IMPOSED BY THE COURTS IN JANUARY WILL BE FAXED.

ENQUIRIES ABOUT SPECIFIC CASES CAN BE DIRECTED TO THE FOLLOWING PRINCIPAL ENVIRONMENTAL PROTECTION OFFICERS:

APCO:	MR FRANKLIN CHUNG	TEL: 594 6200
NCO:	MR STEVEN HO	TEL: 594 6500
WDO:	MR PATRICK LEI	TEL: 685 1133
WPCO:		
CASES 8, 9, 12, 13, 14, 16, 18, 24, 27, 28:	MR MURRAY LUO	TEL: 415 9211
CASES 5, 7, 11, 15, 17, 23:	MR PATRICK LEI	TEL: 685 1133

HOWEVER, ENQUIRIES ON GENERAL ISSUES SHOULD BE DIRECTED TO THE DEPARTMENT'S MEDIA RELATIONS UNIT.

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MACAU GOVERNOR VISITS ACP SITES

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THE GOVERNOR OF MACAU, GENERAL VASCO J ROCHA VIEIRA, WAS TODAY (TUESDAY) GIVEN AN UPDATE ON THE LATEST PROGRESS OF HONG KONG'S AIRPORT CORE PROGRAMME (ACP).

HE FIRST CALLED AT THE NEW AIRPORT PROJECTS CO-ORDINATION OFFICE (NAPCO) AND WAS BRIEFED BY THE DIRECTOR OF NAPCO, MR BILLY LAM, ON THE LATEST DEVELOPMENT OF THE 10 ACP PROJECTS.

/HE THEN ....

HE THEN TOOK A HELICOPTER TOUR TO SEE THE PHYSICAL PROGRESS AT VARIOUS WORKS SITE.

AT THE NEW AIRPORT SITE AT CHEK LAP KOK, THE MACAU GOVERNOR WAS SHOWN AROUND BY THE CHIEF EXECUTIVE OFFICER OF THE PROVISIONAL AIRPORT AUTHORITY, DR HENRY TOWNSEND, WHO BRIEFED HIM ON THE PROGRESS OF THE WORKS THERE.

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FIRST NEIGHBOURHOOD COMMUNITY CENTRE FOR KWUN TONG

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THE SAI TSO WAN NEIGHBOURHOOD COMMUNITY CENTRE WILL PROVIDE A WIDE RANGE OF SOCIAL SERVICES FOR KWUN TONG RESIDENTS OF VARIOUS AGE GROUP, KWUN TONG DISTRICT OFFICER MR WONG HON-HO SAID TODAY (TUESDAY).

SPEAKING AT A MEDIA SESSION ON THE FACILITIES OF THE COMMUNITY CENTRE WHICH WILL BE OPENED TO THE PUBLIC SOON, MR WONG SAID THE FOUR-STOREY COMPLEX WOULD BE THE FIRST OF ITS KIND IN THE DISTRICT.

THE CENTRE WILL HOUSE A SOCIAL CENTRE FOR THE ELDERLY, A DAY NURSERY, A READING ROOM, A GROUP ACTIVITIES ROOM, A MULTI-PURPOSE HALL AND AN ACTIVITY CENTRE FOR DISCHARGED MENTAL PATIENTS.

IT COVERS A TOTAL FLOOR AREA OF ABOUT 2,000 SQUARE METRES. THE CONSTRUCTION COST IS ESTIMATED TO BE $17 MILLION.

THE NEW ADDITION BRINGS TO NINE THE NUMBER OF COMMUNITY CENTRES AND HALLS IN KWUN TONG.

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HONG KONG GOVERNMENT EXCHANGE FUND
TENDER RESULTS

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TENDER DATE	22 FEB 94	22 FEB 94
PAPER ON OFFER	EF BILLS	EF BILLS
ISSUE NUMBER	Q408	Y486
AMOUNT APPLIED	HKD 5,250MN	HKD 1,750MN
AMOUNT ALLOTTED	HKD 1,300MN	HKD 400MN
AVERAGE YIELD ACCEPTED	3.24 PCT	3.91 PCT
HIGHEST YIELD ACCEPTED	3.24 PCT	3.93 PCT
PRO RATA RATIO	ABOUT 81 PCT	ABOUT 10 PCT
AVERAGE TENDER YIELD	3.27 PCT	3.95 PCT

/HONG KONG ....

HONG KONG GOVERNMENT EXCHANGE FUND

TENDERS TO BE HELD IN THE WEEK BEGINNING 28 FEB 1994 -

TENDER DATE	1 MARCH 94	1 MARCH 94
PAPER ON OFFER	EF BILLS	EF BILLS
ISSUE NUMBER	Q409	H459
ISSUE DATE	2 MARCH 94	2 MARCH 94
MATURITY DATE	1 JUNE 94	31 AUG 94
TENOR	91 DAYS	182 DAYS
AMOUNT ON OFFER	HKD 1,300 + 260MN	HKD 500 + 100MN

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS
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		$ MILLION
OPENING BALANCE IN THE ACCOUNT		2,420
REVERSAL OF LAF		+580
BALANCE AFTER REVERSAL OF LAF		3,000
NET INJECTION/WITHDRAWAL TODAY		NIL
EFFECT OF LAF TODAY		-1,700
CLOSING BALANCE IN THE ACCOUNT		1,300
LAF RATE 2.00 BID/4.00 OFFER	TWI 126.0 **+0.2*	22.2.94

HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS		EF NOTES/HONG KONG GOVERNMENT BONDS				
TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.86	18 MONTHS	2508	4.625	100.52	4.31
1 MONTH	3.02	21 MONTHS	2511	4.15	99.43	4.54
3 MONTHS	3.23	24 MONTHS	2602	4.40	99.54	4.70
6 MONTHS	3.45	32 MONTHS	3610	4.20	98.11	5.02
12 MONTHS	3.91	35 MONTHS	3701	4.60	98.81	5.10

TOTAL TURNOVER OF BILLS AND BONDS - 22,180 MN

CLOSED 22 FEBRUARY 1994

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