DAILY INFORMATION BULLETIN

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Contents **Page No.**

ESB responds to enquiries on HK Electric corporate restructuring

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In response to press enquiries on the corporate restructuring proposals involving the Hong Kong Electric Company, a spokesman for the Economic Services Branch said today (Monday) that the relationship between the Company and the Government is governed by the Scheme of Control Agreement between the two parties.

He said that the corporate restructuring proposals involving the company announced today appear not to precipitate any changes in this relationship, therefore the interests of consumers will not be affected.

He said that the Scheme of Control Agreement does not require the Government to be notified in advance of change of ownership of the company or of any changes in shareholdings in the company. Therefore the Government has no role in the restructuring proposals.

The current Scheme of Control Agreement between the Government and Hongkong Electric was signed in 1993 and lasts until 2008. It enables the Government to monitor the financial affairs of the electricity-related activities of the Hongkong Electric Company.

End

Government creates best environment for technology promotion

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The Financial Secretary, Mr Donald Tsang said today (Monday) that in the promotion of technology, the most important role of Government was to create the best environment for technological innovation and application to emerge and mature.

Speaking at the opening ceremony of the Technology Week '97 at the Hong Kong Convention and Exhibition Centre, Mr. Tsang said Hong Kong as the freest economy in the world had created a highly competitive and efficient economic system where technological pursuits might thrive in all sectors of the economy.

"The system is reinforced by the rule of law, including the protection of intellectual property rights for innovations and inventions, a level playing field, as well as the free flow of information," Mr Tsang said.

In citing the telecommunications sector as an example, Mr Tsang noted that free enterprise, free access to and free application of latest technology transfer as well as deregulation and government encouragement of competition had together resulted not only in reduction in costs to consumers, but also in one of the best telecommunications systems in the world.

Commenting on the relevance of technology on the economic progress, Mr Tsang said that the industrial future of Hong Kong lay in our ability to use higher technology processes to produce higher value added products.

As a result of the globalisation process, Mr Tsang said that the idea of a vertically integrated manufacturing architecture wholly based in Hong Kong had become impractical and irrelevant.

"Increasingly we see that value chain in the production of goods being divided geographically based on the principle of comparative advantage.

"We have seen in the past fifteen years or so a major expansion of Hong Kong manufacturing base in the region." Mr Tsang added.

The expansion of the manufacturing base would not have been possible, according to Mr Tsang, had Hong Kong not been able to secure the necessary technology to manage a widening network of offshore production processes radiating from the base in Hong Kong.

While addressing recent comments on the social consequences of the structural change in our economy, Mr Tsang said "the line between manufacturing and services is getting very fine as they become strongly related to, and dependent on, on another."

"The increase in outward processing of our manufacturing industry has spurred the demand of services. And the upgrading of our services industries had enabled our manufacturing network to grow both in its footprint and output. A major link between them is technology."

In explaining the role of government in technological development, Mr Tsang cited the well known policy of "minimum intervention, maximum support", and said the government had put in much resources in education, training and had set up various funding schemes to facilitate applied industrial research.

He added that the Government had put in place a scheme to encourage collaborative efforts between Hong Kong and mainland firms and institutions. Two studies were in progress and these were designed to explore the opportunities of co-operation between Hong Kong and the Mainland in the fields of information technology and biotechnology.

"The Hong Kong Industrial Technology Centre is showing good promise in its incubation programme for helping to start up technology intensive companies," he said.

"And we are also refining our proposals for a science park. A site for this has been identified and may be made available for development in the first quarter of next year."

End

Civil Aid Services celebrates 45th anniversary
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The Civil Aid Services (CAS) has organised a series of celebrations to commemorate its 45th year of service to the community of Hong Kong this year.

The premiere was a grand reception held this (Monday) evening attended by the Governor, the Rt Hon Christopher Patten and many distinguished guests.

Other coming celebrations include an anniversary dinner and a special publication.

Since its establishment in 1952, the CAS has matured into a volunteers' organisation with diversified skills and professionalism, capable of undertaking a wide range of emergency duties and helping to relieve the pressures on Hong Kong's full-time emergency forces.

It has been and still is performing a number of operational duties such as the management of the Vietnamese migrant or refugees centres, country fire protection patrol, crowd control on election days and at charity walks, as well as other civic duties.

It also maintains a professionally trained mountain rescue service in Hong Kong.

The CAS has an establishment of 3,634 adult members and a Cadet Corps of 3,232 youths.

End

Wong Tai Sin DB by-election results

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The following is the number of votes received by the two candidates of the Wong Tai Sin District Board by-election in respect of San Po Kong constituency on Sunday (January 5):

Mr Mak Hoi-wah	812 votes
Mr Lee Tat-yan	841 votes

Mr Lee Tat-yan was declared elected by the Returning Officer, Miss Diane Wong.

End

Land Registry 1996 statistics released

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The Land Registry (LR) today (Monday) released land registration statistics for the year 1996 as well as those for December last year.

A total of 147,423 sale and purchase agreements for building units, including both residential and non-residential, were received for registration by the LR in 1996.

This figure represents an increase of 51 per cent and 28.3 per cent compared with 1995 and 1994 respectively.

The total amount of the considerations involved in these agreements was $474.66 billion which was up by 78.6 per cent and 12 per cent compared with 1995 and 1994 respectively.

During 1996, 159,520 assignments of building units were lodged for registration, compared with 112,212 and 137,876 respectively recorded during 1995 and 1994, showing an increase of 42.2 per cent and 15.7 per cent respectively.

The total amount of the considerations involved amounting to $412.42 billion, indicated increases of 33.3 per cent and 3.6 per cent respectively when compared with the two preceding years.

The total amount secured under mortgages (other than building mortgages) was $75.28 billion, showing a decrease of two per cent and 26.2 per cent compared with 1995 and 1994 respectively.

A table summarising the above figures and other related statistics for 1996, together with the corresponding statistics recorded in 1995 and 1994, was released today by the registry.

Searches of land records made by members of the public during 1996 totalled 4,313,948, up by 46.8 per cent and 24 per cent compared with 1995 and 1994 respectively.

Meanwhile, for the month of December 1996, the LR received for registration 16,843 sale and purchase agreements for residential and non-residential building units.

This figure represents an increase of 5.2 per cent from that of November 1996 and an increase 58.7 per cent compared with December 1995.

The total consideration of these agreements in December 1996 was $69.3 billion, up 17.6 per cent and 159.5 per cent respectively when compared with the amounts for November 1996 and December 1995.

The figures are contained in the monthly statistics released today by LR on deeds relating to property transactions received for registration in the Urban and New Territories Land Registries in December 1996.

Relevant statistics for November 1996 and December 1995 were provided for comparison. Figures on sale and purchase agreements received for the past 12 months and the year-on-year rate of change were also released.

These statistics generally relate to land transactions executed up to four weeks prior to their submission for registration, as there is usually a time lag between the execution of deeds and their lodgement for registration.

End

First quarter rates due on January 31

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Ratepayers are informed that rates for the first quarter of this year are due and payable on or before January 31.

Payment can be made either by autopay, or by the Payment by Phone Service (PPS), or by post addressed to the Director of Accounting Services, P O Box 8000, GPO, Hong Kong, or in person at any of the following offices:

(a) The Treasury Headquarters Collection and Payment Office, Immigration Tower, first floor, 7 Gloucester Road, Wan Chai, Hong Kong;

(b) The Central Sub-Treasury, Central Government Offices (West Wing), 11 Ice House Street, Hong Kong;

(c) The North Point Sub-Treasury, Max Share Centre, first floor, 373 King's Road, Hong Kong;

(d) The Sai Wan Ho Sub-Treasury, Eastern Law Courts Building, ground floor, 29 Tai On Street, Sai Wan Ho, Hong Kong;

(e) The Yau Ma Tei Sub-Treasury, Kowloon Government Offices, fourth floor, 405 Nathan Road, Kowloon;

(f) The Kowloon City Sub-Treasury, Man Sang Commercial Building, first floor, 348-352 Prince Edward Road West, Kowloon;

(g) The District Offices at Sai Kung, Sha Tin, Tai Po, North, Yuen Long, Tuen Mun, Tsuen Wan or Kwai Tsing.

Rates Demand notes for the quarter have been issued. Ratepayers who have not received their demand notes should bring along rates demand notes for any previous quarter to any of the Treasury Collection Offices listed at (a) to (f) above, and replacement rates demand notes will be issued to them.

Payment can then be made at any of these offices. If the ratepayers cannot produce rates demand notes for any previous quarter, they should inquire at the Rates Accounts Section of the Rating and Valuation Department, Hennessy Centre, 23rd floor, 500 Hennessy Road, Causeway Bay, Hong Kong or call 2881 1033.

Non-receipt of the demand note does not alter the requirement that the rates must be paid on or before January 31, 1997 and unless so paid, ratepayers may be subject to a surcharge of 5% under Section 22 of the Rating Ordinance. A further surcharge of 10% may be levied on the outstanding amount (including the 5% surcharge) which remains unpaid six months after the due date.

Ratepayers who have submitted a valid direct debit authorization should note that payment should still be made by other means as stipulated in the demand note unless the wording 'PAYMENT TO BE MADE BY AUTOPAY' is shown on the demand note in which case their payment of rates will be made by direct debit to their bank accounts on 31 January 1997. In this connection, ratepayers should ensure that their bank accounts contain the necessary funds on that date.

To avoid queuing, ratepayers are urged to settle payment by autopay under which ratepayers' bank accounts will only be debited on rates due dates or by the Payment by Phone Service (PPS). Application forms for autopay are obtainable from Treasury Collection Offices, District Offices and all major banks in Hong Kong or by telephoning 2881 1033. For additional information regarding PPS, please call 9000 0222 329.

End

Over 400 blankets distributed to street sleepers

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Staff of the Social Welfare Department last (Sunday) night distributed a total of 440 blankets to street sleepers in a territory-wide operation during the cold weather.

Of the total, 190 were distributed in West Kowloon, 21 in East Kowloon, 156 on Hong Kong Island, 53 in New Territories East and 20 in New Territories West.

End

EPS payment service introduced at Inland Revenue offices

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To improve the payment service to the taxpaying public, the Inland Revenue Department (IRD) has installed an EPS terminal at each of its payment offices in Wan Chai, Mong Kok and Tsuen Wan since last month (December 1996).

This new service of payment of tax by EPS is an additional payment method to Payment by Phone, Payment by Post, Payment over Counter, and By Cheque Deposit Box in IRD payment offices currently offered by the Inland Revenue Department.

A spokesman for the department today (Monday) urged taxpayers who opt to pay their tax bills over the counter to pay by cheque or to make use of the new service to avoid carrying large quantities of cash to IRD for their own safety and convenience.

No application for use of the new service of payment of tax by EPS is required. Taxpayers who are holders of ATM cards of 30 major banks can now transfer a sum ranging from $20,000 to $50,000 for each ATM card or account each day for payment of tax at the designated counter at each of three IRD payment offices during office hours.

To save a trip to IRD, taxpayers are reminded that they may post their payment by cheque to IRD or pay by telephone via the 24-hour Payment-by-Phone Service. For enquiries, please telephone IRD's hotline 2877 9111 or 187 8033, or the PPS hotline 9000 0222 329.

End

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 79.7 per cent of capacity or 466.897 million cubic metres.

This time last year the reservoirs contained 483.561 million cubic metres of water, representing 82.5 per cent of capacity.

End

Tender for 14th issue of three-year Exchange Fund notes

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The Hong Kong Monetary Authority announced today (Monday) that the tender for the fourteenth issue of three-year Exchange Fund notes will be held on Monday, January 13 for settlement on Tuesday, January 14.

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

The notes will mature on January 14, 2000 and will carry interest at the rate of 6.17% per annum payable semi-annually in arrears.

Members of the public who wish to tender for the notes may do so through any of the Market Makers or Recognised Dealers on the published list which can be obtained from the Hong Kong Monetary Authority, 30th floor, 3 Garden Road, Hong Kong (telephone 2878 8150).

Each tender must be for an amount of HK$50,000 or integral multiples thereof.

Tender information for the 14th issue of three-year Exchange Fund notes:

Issue number	: 3001
Tender date and time	: Monday, 13 January 1997, 9.30 am to 10.30 am
Issue and settlement date	: Tuesday, 14 January 1997
Amount on offer	: HK$500 million plus an additional HK$100 million as reserve stock for the Monetary Authority
Maturity	: Three years
Maturity date	: 14 January 2000
Interest rate	: 6.17% per annum payable semi-annually in arrears
Interest payment dates	: 14 Jul 1997, 14 Jan 1998, 14 Jul 1998, 14 Jan 1999, 14 Jul 1999, 14 Jan 2000

Tender amount	: Each tender must be for an amount of HK$50,000 or integral multiples thereof. Members of the public who wish to tender for the Notes may approach Market Makers or Recognised Dealers on the published list.
Other details	: Please see Information Memorandum published or approach Market Makers or Recognised Dealers.

End

Hong Kong Monetary Authority interbank liquidity

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		TIME	AGGREGATE BALANCE OF SETTLEMENT ACCOUNTS
OPENING AGGREGATE BALANCE	856 MN	0930 HR	16,058 MN
CLOSING AGGREGATE BALANCE	677 MN	1000 HR	19,123 MN
CHANGE ATTRIBUTABLE TO :		1100 HR	23,274 MN
MONEY MARKET ACTIVITY	- 12 MN	1200 HR	30,901 MN
LAF REVERSAL	+7,400 MN	1500 HR	35,727 MN
LAF TODAY	- 7,567 MN	1600 HR	38,379 MN

LAF RATE 4.00% BID/6.00% OFFER TWI 125.6 *+0.1* 6.1.97

Hong Kong Monetary Authority

EF Bills		EF Notes/MTRC Notes				
Terms	Yield	Terms	Issue	Coupon	Price	Yield
1 week	4.36	2 years	2811	5.72	100.22	5.67
1 month	4.40	3 years	3910	6.28	100.59	6.13
3 months	4.50	5 years	5112	6.57	99.38	6.83
6 months	4.70	7 years	7311	6.80	98.79	7.15
12 months	5.09	10 years	1610	7.37	100.53	7.42
		5 years	M503	7.35	101.45	7.10

TOTAL TURNOVER OF EF BILLS AND NOTES - $11,154 MN

CLOSED JANUARY 6, 1997

End