



## DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES  
BEACONSFIELD HOUSE, HONG KONG. TEL.: 5-8428777

MONDAY, FEBRUARY 5, 1990

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CHEK LAP KOK TO SET TREND FOR 21ST CENTURY

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IT IS THE GOVERNMENT'S INTENTION THAT CHEK LAP KOK AIRPORT WILL SET THE TREND FOR OTHER NEW AIRPORTS TO FOLLOW IN THE 21ST CENTURY, THE SECRETARY FOR ECONOMIC SERVICES, MRS ANSON CHAN, SAID TODAY (MONDAY).

"THIS PROJECT TOGETHER WITH OUR PLANS FOR PORT EXPANSION AND THE ASSORTED DEVELOPMENT OF OUR TRANSPORT INFRASTRUCTURE OFFER EXCITING OPPORTUNITIES FOR INTERNATIONAL FIRMS TO PARTICIPATE, WHETHER IN THE ACTUAL CONSTRUCTION, FINANCING OR PROVISION OF SERVICES.

"ALTHOUGH IT WILL BE AT LEAST ANOTHER YEAR BEFORE WE ARE ABLE TO TAKE FINAL DECISIONS ON FUNDING, WE KNOW ALREADY THAT MANY OF THE PROJECTS MAKE SOUND COMMERCIAL SENSE AND ARE LIKELY TO PROVE ATTRACTIVE TO THE PRIVATE INVESTORS," SHE SAID.

SPEAKING AT A CONFERENCE ORGANISED BY THE HONG KONG INSTITUTION OF ENGINEERS, MRS CHAN SAID THE GOVERNMENT HAD BEEN ENCOURAGED BY THE MANY EXPRESSIONS OF INTEREST IT HAD RECEIVED FROM FAR AND NEAR.

"THERE APPEARS TO BE SCOPE FOR 40 PER CENT TO 60 PER CENT OF THE TOTAL COSTS OF OUR DEVELOPMENT PACKAGE TO BE BORNE BY THE PRIVATE SECTOR.

"WE WELCOME THE WIDEST POSSIBLE PARTICIPATION FROM THE INTERNATIONAL COMMUNITY IN OUR INFRASTRUCTURAL DEVELOPMENTS," SHE SAID.

MRS CHAN POINTED OUT THAT THE GOVERNMENT WAS NOW DEVELOPING AN APPROACH TO IMPLEMENTATION WHICH WOULD ENABLE IT TO TAP THE BEST EXPERTISE AVAILABLE WORLDWIDE.

"WE ARE ESTABLISHING AN AIRPORT AUTHORITY WHICH WILL BE A STATUTORY CORPORATION.

"THIS WILL, AT LEAST INITIALLY, BE 100 PER CENT GOVERNMENT OWNED AND, IN ADDITION TO AN INJECTION OF GOVERNMENT EQUITY, WILL BE FINANCED BY LOANS RAISED IN THE INTERNATIONAL MARKET.

"WE BELIEVE THIS STRUCTURE WILL PROVIDE THE BEST VEHICLE FOR ACHIEVING OUR TARGET OF OPENING THE FIRST OF THE PROPOSED TWO RUNWAYS AT CHEK LAP KOK AT THE START OF 1997," SHE SAID.

AT THE END OF THIS MONTH, SHE SAID, THE GOVERNMENT WOULD BE CONSIDERING PROPOSALS FROM EIGHT AMERICAN AND EUROPEAN AND JAPANESE CONSULTANTS OF INTERNATIONAL STANDING WHO HAVE BEEN SHORTLISTED FOR THE MASTER PLAN CONSULTANCY FOR THE NEW AIRPORT.

/"THE CONSULTANCY .....

"THE CONSULTANCY WILL START IN JUNE AND COVER NOT ONLY THE DESIGN OF THE LAYOUT OF THE AIRPORT BUT ALSO RELATED CIVIL ENGINEERING DESIGN AND ENVIRONMENTAL IMPACT ASSESSMENT.

"THE MAGNITUDE AND COMPLEXITY OF THIS PROJECT, COUPLED WITH THE VERY TIGHT TIME-FRAME WE HAVE SET OURSELVES, POINT TO THE NEED FOR CAREFUL MANAGEMENT AND CO-ORDINATION OF THE PROJECT.

"WE INTEND TO ENLIST THE SERVICES OF A REPUTABLE INTERNATIONAL FIRM TO ASSIST US IN THIS VERY IMPORTANT TASK. WE HOPE SHORTLY TO INVITE SPECIFIC PROPOSALS FROM APPROPRIATE CONSULTANTS," SHE SAID.

SHE SAID AN EXECUTIVE SEARCH FIRM HAD ALSO BEEN SELECTED TO HELP IN THE RECRUITMENT OF A CHIEF EXECUTIVE OFFICER FOR THIS PROJECT.

"WE ANTICIPATE THAT TENDERS FOR THE MAJOR SITE FORMATION CONTRACTS, COVERING THE SEAWALL CONSTRUCTION, RECLAMATION AND LEVELLING OF CHEK LAP KOK WILL BE CALLED AROUND MID-1991," SHE SAID.

DWELLING ON THE POLITICAL, SOCIAL AND ECONOMIC BACKGROUND AGAINST WHICH THE GOVERNMENT WOULD BE EMBARKING ON THE PORT AND AIRPORT DEVELOPMENT STRATEGY, MRS CHAN SAID HONG KONG'S PLANS FOR FUTURE GROWTH WERE NECESSARILY ON A GRAND SCALE AS IT WAS ALREADY A TERRITORY OF SOME SIGNIFICANCE IN TERMS OF THE WORLD'S ECONOMY.

"ACCORDING TO GATT STATISTICS, WE ARE THE 11TH LARGEST TRADING ENTITY IN THE WORLD. WE HAVE THE WORLD'S BUSIEST CONTAINER PORT.

"IN TERMS OF INTERNATIONAL PASSENGER THROUGHPUT, OUR AIRPORT IS THE SIXTH BUSIEST IN THE WORLD AND THE BUSIEST IN ASIA. IN TERMS OF THE VOLUME OF INTERNATIONAL AIR CARGO HANDLED WE RANK FOURTH IN THE WORLD.

"IF WE ARE TO EXPAND FURTHER ON THIS BASELINE WHICH IS ALREADY PITCHED VERY HIGH, OUR PLANS MUST BE BOLD AND IMAGINATIVE BUT ALSO FULLY RESEARCHED AND SKILFULLY IMPLEMENTED," SHE STRESSED.

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GOVT INVITES EXPRESSIONS OF INTEREST IN LANTAU FIXED CROSSING PROJECT

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THE GOVERNMENT IS INVITING COMMERCIAL ORGANISATIONS AROUND THE WORLD TO REGISTER INTEREST IN THE FRANCHISE FOR THE CONSTRUCTION AND OPERATION OF THE LANTAU FIXED CROSSING.

THE DEPUTY SECRETARY FOR TRANSPORT, MR CANICE MAK, SAID TODAY (MONDAY) THAT THIS INVITATION WAS A FIRST STEP IN THE PRIVATISATION OF THIS PROJECT.

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ADVERTISEMENTS IN MAJOR INTERNATIONAL AND LOCAL NEWSPAPERS ARE NOW BEING PLACED TO ATTRACT AS WIDE AN INTEREST AS POSSIBLE.

"THE GOVERNMENT INTENDS TO INVITE THE PRIVATE SECTOR TO SUBMIT PROPOSALS IN LATE 1990 FOR A FRANCHISE TO FINANCE, CONSTRUCT AND OPERATE THE CROSSING," MR MAK SAID.

HE SAID THE CROSSING WOULD FORM PART OF THE MAIN LAND TRANSPORT LINK TO THE NEW AIRPORT TO BE BUILT AT CHEK LAP KOK.

THE CROSSING WOULD BE A COMBINED ROAD AND RAIL CROSSING, COMPRISING A DUAL-THREE LANE HIGHWAY AND A TWIN TRACK RAILWAY. IT EXTENDS FROM THE END OF THE PROPOSED NORTH LANTAU EXPRESSWAY AT TSING CHAU TSAI ON NORTH LANTAU VIA MA WAN TO NORTHWEST TSING YI WHERE IT WILL CONNECT WITH ROUTE 3.

MR MAK SAID IT WAS ENVISAGED THAT THE CROSSING WOULD INCORPORATE TWO SUSPENSION BRIDGES ACROSS KAP SUI MUN AND MA WAN CHANNEL AND APPROACH ROADS ON LANTAU AND TSING YI.

THE MAIN SPANS OF THESE TWO BRIDGES WOULD BE OVER 1,410 METRES AND 450 METRES RESPECTIVELY.

TOGETHER WITH CONNECTING HIGHWAYS, THE WHOLE PROJECT WOULD BE ABOUT SEVEN KILOMETRES IN LENGTH.

HE ADDED THAT THE ALTERNATIVE OF USING TUNNEL ACROSS KAP SHUI MUN AND MA WAN CHANNEL WAS ALSO BEING INVESTIGATED.

HE SAID ACCORDING TO THE PRESENT PLAN, THE CROSSING WOULD BE IN OPERATION BY MID-1996 BEFORE THE OPENING OF THE NEW AIRPORT IN EARLY 1997.

ORGANISATIONS WISHING TO REGISTER AN INTEREST IN THE PROJECT MAY DO SO BY COMPLETING A REGISTRATION FORM ATTACHED TO THE INVITATION PACKAGE WHICH CAN BE OBTAINED FROM THE DIRECTOR OF HIGHWAYS, HIGHWAYS DEPARTMENT, 10TH FLOOR, EMPIRE CENTRE, 68 MODY ROAD, KOWLOON, HONG KONG ON OR AFTER FEBRUARY 12.

THE INVITATION PACKAGE WILL INCLUDE DETAILS ON THE PROJECT AND THE BIDDING ARRANGEMENTS.

THE COMPLETED REGISTRATION FORM SHOULD BE RETURNED NOT LATER THAN MARCH 16 THIS YEAR.

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PETITIONS FOR WINDING-UP OF INSURANCE COMPANIES

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THE REGISTRAR GENERAL, MR NOEL GLEESON, IN HIS CAPACITY AS INSURANCE AUTHORITY, TODAY (MONDAY) PRESENTED PETITIONS TO THE HIGH COURT FOR THE WINDING-UP OF GRAND UNION LIFE ASSURANCE LIMITED ("GU LIFE") AND HANG LUNG INSURANCE LIMITED ("HANG LUNG").

THE DATE OF THE HEARING OF BOTH PETITIONS HAS BEEN FIXED TO MARCH 5, 1990.

THE COURT HAS IN THE MEANTIME APPOINTED THE OFFICIAL RECEIVER TO BE THE PROVISIONAL LIQUIDATOR OF BOTH COMPANIES.

GRAND UNION LIFE ASSURANCE LIMITED WAS INCORPORATED UNDER THE COMPANIES ORDINANCE IN OCTOBER 1974 AND IS AUTHORISED UNDER THE INSURANCE COMPANIES ORDINANCE TO CARRY ON LONG TERM BUSINESS.

THIS COMPANY, WITH ABOUT 8,000 LIFE POLICIES, WAS A RELATIVELY SMALL ONE WHICH OUGHT TO HAVE POLICY RESERVES IN THE REGION OF \$24 MILLION.

MR GLEESON SAID THE ACTION AGAINST "GU LIFE" WAS CONSIDERED DESIRABLE TO PROTECT THE INTERESTS OF THE COMPANY'S POLICY HOLDERS AND POTENTIAL POLICY HOLDERS.

THE GROUNDS FOR THE WINDING-UP OF "GU LIFE" WERE MAINLY THAT THE INSURANCE AUTHORITY WAS NOT SATISFIED WITH THE APPROPRIATENESS OF THE COMPANY'S REINSURANCE ARRANGEMENTS, THAT THE COMPANY HAD FAILED TO MEET THE SOLVENCY REQUIREMENTS OF THE INSURANCE COMPANIES ORDINANCE AND THAT IT HAD NOT KEPT PROPER BOOKS OF ACCOUNT.

IN VIEW OF THIS MR GLEESON CONSIDERED IT WAS APPROPRIATE THAT THE AFFAIRS OF "GU LIFE" BE PLACED IN THE HANDS OF NEW MANAGEMENT, WHICH, FOR THE TIME BEING, WOULD BE THE PROVISIONAL LIQUIDATOR.

HANG LUNG, INCORPORATED IN SEPTEMBER 1971, CEASED TO WRITE NEW INSURANCE BUSINESS AND CEASED TO BE AUTHORISED TO DO SO AS FROM JULY 1981.

IT WAS STILL OBLIGED, HOWEVER, TO MEET ITS OBLIGATIONS UNDER SOME 1,500 OUTSTANDING LIFE INSURANCE CONTRACTS. IT WAS UNDERSTOOD THIS COMPANY WAS NOT CONNECTED WITH ANY OTHER COMPANY HAVING THE NAME HANG LUNG.

MR GLEESON SAID THE ACTION AGAINST HANG LUNG WAS ALSO CONSIDERED DESIRABLE IN THE INTERESTS OF THE POLICY HOLDERS, PARTICULARLY SINCE "GU LIFE" WAS KNOWN TO HAVE BEEN MANAGING THE RUN-OFF OF HANG LUNG'S INSURANCE BUSINESS.

/IN ANOTHER .....

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IN ANOTHER STATEMENT, MR GLEESON SAID THAT IN HIS CAPACITY AS OFFICIAL RECEIVER HE WOULD NOW TAKE POSSESSION OF, COLLECT, AND PROTECT ASSETS OF "GU LIFE" AND HANG LUNG IN HONG KONG AND OVERSEAS.

HE WOULD CARRY ON THE LONG TERM BUSINESS OF "GU LIFE" WITH A VIEW, IF POSSIBLE, TO ITS BEING TRANSFERRED AS A GOING CONCERN TO ANOTHER INSURER.

HE WOULD ALSO EXPLORE THE POSSIBILITY OF TRANSFERRING THE MANAGEMENT OF THE RUN-OFF OF THE LONG TERM BUSINESS OF HANG LUNG TO ANOTHER INSURER.

HE HOPED THAT A FURTHER ANNOUNCEMENT COULD BE MADE IN DUE COURSE. IN THE MEANTIME ALL LIFE POLICIES OF BOTH "GU LIFE" AND HANG LUNG WOULD REMAIN IN FORCE.

POLICY HOLDERS OF BOTH COMPANIES ARE ADVISED TO CONTINUE THEIR PAYMENTS OF THE PREMIUMS TO THE OFFICIAL RECEIVER AS THEY FELL DUE IN ORDER TO KEEP THEIR POLICIES IN FORCE, AND THOSE WISHING TO RECEIVE FURTHER INFORMATION SHOULD CONTACT THE REGISTRAR GENERAL'S DEPARTMENT (OFFICIAL RECEIVER) ON TEL. 8672461.

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#### MONETARY STATISTICS FOR DECEMBER PUBLISHED

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BOTH HONG KONG DOLLAR AND FOREIGN CURRENCY DEPOSITS WITH AUTHORISED INSTITUTIONS REGISTERED INCREASES IN DECEMBER, ACCORDING TO STATISTICS PUBLISHED TODAY (MONDAY) BY THE MONETARY AFFAIRS BRANCH.

REFLECTING THE RISE IN HONG KONG DOLLAR DEPOSITS, THE BROADER DEFINITIONS OF HONG KONG DOLLAR MONEY SUPPLY INCREASED DURING THE MONTH. ALL MAJOR TYPES OF LOANS RECORDED INCREASES IN DECEMBER.

TABLE 1 SETS OUT SUMMARY FIGURES FOR DECEMBER 1989 AND COMPARISONS WITH EARLIER MONTHS. TABLE 2 PRESENTS FIGURES FROM THE QUARTERLY ANALYSIS OF LOANS AND ADVANCES FOR USE IN HONG KONG.

#### DEPOSITS

HONG KONG DOLLAR DEPOSITS WITH AUTHORISED INSTITUTIONS INCREASED BY 1.4 PER CENT IN DECEMBER, FOLLOWING A MARGINAL DECLINE OF 0.1 PER CENT IN OCTOBER AND AN INCREASE OF 2.2 PER CENT IN NOVEMBER.

OF THESE DEPOSITS, DEMAND DEPOSITS DECLINED BY 5.0 PER CENT IN DECEMBER, LARGELY BECAUSE OF THE DISTORTION OF A HIGH COMPARISON BASE, AS SUBSCRIPTION MONIES FOR A NEW SHARE ISSUE WERE TIED UP IN THE BANKING SECTOR IN LATE NOVEMBER.

/SAVINGS DEPOSITS .....

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SAVINGS DEPOSITS ROSE BY 6.3 PER CENT DURING DECEMBER WHILE TIME DEPOSITS WERE LITTLE CHANGED FROM THE PREVIOUS MONTH.

FOR THE YEAR 1989 AS A WHOLE, TOTAL HONG KONG DOLLAR DEPOSITS GREW BY 11.8 PER CENT, AND WHEN SWAP DEPOSITS ARE INCLUDED, BY 15.5 PER CENT, LARGELY IN LINE WITH THE GROWTH RATE OF THE ECONOMY IN MONEY TERMS IN 1989.

FOREIGN CURRENCY DEPOSITS WITH AUTHORISED INSTITUTIONS ROSE BY 2.5 PER CENT IN DECEMBER, AFTER INCREASES OF 3.3 PER CENT AND 3.4 PER CENT IN OCTOBER AND NOVEMBER RESPECTIVELY.

AMONG THESE DEPOSITS, U.S. DOLLAR DEPOSITS INCREASED BY 4.1 PER CENT IN DECEMBER WHILE NON-U.S. DOLLAR DEPOSITS GREW BY 0.8 PER CENT. OVER THE YEAR, TOTAL FOREIGN CURRENCY DEPOSITS INCREASED BY 24.3 PER CENT.

FOREIGN CURRENCY SWAP DEPOSITS INCREASED BY 2.7 PER CENT IN DECEMBER, AFTER A ZERO GROWTH IN OCTOBER AND A DECLINE OF 0.8 PER CENT IN NOVEMBER.

ADJUSTED TO INCLUDE THESE DEPOSITS, HONG KONG DOLLAR DEPOSITS ROSE BY 1.6 PER CENT IN DECEMBER AND BY 15.5 PER CENT COMPARED WITH A YEAR EARLIER. ON THE OTHER HAND, FOREIGN CURRENCY DEPOSITS, ADJUSTED TO EXCLUDE SWAP DEPOSITS, INCREASED BY 2.5 PER CENT IN DECEMBER AND BY 22.4 PER CENT OVER THE YEAR.

DEPOSITS OF ALL CURRENCIES WITH BANKS ROSE BY 2.2 PER CENT IN DECEMBER WHILE THOSE WITH DEPOSIT-TAKING COMPANIES RECORDED A MARGINAL GROWTH OF 0.1 PER CENT. FOR 1989 AS A WHOLE, THE FORMER ROSE BY 20.4 PER CENT WHILE THE LATTER GREW BY 5.2 PER CENT.

#### MONEY SUPPLY

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HK\$M1 DECLINED MARGINALLY BY 0.6 PER CENT IN DECEMBER, WHILE HK\$M2 AND HK\$M3 INCREASED BY 2.1 PER CENT AND 1.8 PER CENT RESPECTIVELY. THEIR RESPECTIVE GROWTH RATES IN NOVEMBER WERE 3.9 PER CENT, 2.4 PER CENT AND 2.0 PER CENT. FOR 1989 AS A WHOLE, HK\$M1, HK\$M2 AND HK\$M3 ROSE BY 7.5 PER CENT, 13.8 PER CENT AND 11.6 PER CENT RESPECTIVELY.

ADJUSTED TO TAKE ACCOUNT OF SWAP DEPOSITS, HK\$M2 INCREASED BY 2.2 PER CENT IN DECEMBER AND BY 17.1 PER CENT COMPARED WITH A YEAR EARLIER. HK\$M3 INCREASED BY 1.9 PER CENT IN DECEMBER AND BY 15.0 PER CENT OVER THE YEAR.

TOTAL M1, M2 AND M3 ROSE BY 0.3 PER CENT, 2.4 PER CENT AND 2.2 PER CENT RESPECTIVELY IN DECEMBER. THEIR CORRESPONDING GROWTH RATES IN NOVEMBER WERE 3.2 PER CENT, 2.9 PER CENT AND 2.8 PER CENT. OVER THE YEAR, TOTAL M1, M2 AND M3 GREW BY 6.8 PER CENT, 19.9 PER CENT AND 18.7 PER CENT RESPECTIVELY.

/LOANS AND .....

## LOANS AND ADVANCES

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TOTAL OUTSTANDING LOANS AND ADVANCES EXTENDED BY AUTHORISED INSTITUTIONS INCREASED BY 6.0 PER CENT IN DECEMBER, FOLLOWING A DECLINE OF 4.6 PER CENT IN OCTOBER AND AN INCREASE OF 2.2 PER CENT IN NOVEMBER. OF THE TOTAL OUTSTANDING LOANS, THOSE DENOMINATED IN HONG KONG DOLLARS GREW BY 1.4 PER CENT WHILE THOSE DENOMINATED IN FOREIGN CURRENCIES INCREASED BY 9.6 PER CENT.

LOANS TO FINANCE VISIBLE TRADE OF HONG KONG GREW BY 0.5 PER CENT IN DECEMBER, FOLLOWING DECLINES OF 0.8 PER CENT AND 1.1 PER CENT IN OCTOBER AND NOVEMBER RESPECTIVELY. OVER THE YEAR, THESE LOANS GREW BY 11.5 PER CENT.

OTHER LOANS FOR USE IN HONG KONG GREW BY 1.1 PER CENT IN DECEMBER COMPARED WITH INCREASES OF 0.6 PER CENT AND 2.3 PER CENT IN OCTOBER AND NOVEMBER RESPECTIVELY. OVER THE YEAR, THESE LOANS GREW BY 28.1 PER CENT.

CONSISTENT WITH THE SEASONAL PATTERN OF A STRONG INCREASE TOWARDS QUARTER END, LOANS FOR USE OUTSIDE HONG KONG INCREASED SUBSTANTIALLY BY 8.1 PER CENT IN DECEMBER, AFTER A DECLINE OF 9.4 PER CENT IN OCTOBER AND AN INCREASE OF 2.5 PER CENT IN NOVEMBER. OVER THE YEAR, THESE LOANS GREW BY 32.5 PER CENT.

LOANS TO FINANCE MERCHANDISING TRADE NOT TOUCHING HONG KONG RECORDED NO CHANGE IN DECEMBER, AFTER INCREASES OF 0.4 PER CENT AND 3.6 PER CENT IN OCTOBER AND NOVEMBER RESPECTIVELY. OVER THE YEAR, THESE LOANS DECLINED BY 15.5 PER CENT.

## QUARTERLY ANALYSIS OF LOANS AND ADVANCES FOR USE IN HONG KONG BY SECTOR

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IN THE FOURTH QUARTER OF 1989, LOANS AND ADVANCES EXTENDED TO THE MANUFACTURING SECTOR FELL BY 2.8 PER CENT AFTER AN INCREASE OF 0.7 PER CENT IN THE PREVIOUS QUARTER. OVER THE YEAR, THESE LOANS GREW BY 18.6 PER CENT.

LOANS TO THE WHOLESALE AND RETAIL TRADE DECREASED MARGINALLY BY 0.1 PER CENT IN THE FOURTH QUARTER, FOLLOWING A DECLINE OF 4.8 PER CENT IN THE THIRD QUARTER. OVER THE YEAR, THESE LOANS GREW BY 4.9 PER CENT.

LOANS TO FINANCIAL CONCERNS (OTHER THAN BANKS AND DTCS) ROSE BY 13.7 PER CENT THIS QUARTER, AFTER AN INCREASE OF 10.8 PER CENT IN THE PREVIOUS QUARTER. OVER THE YEAR, THESE LOANS GREW BY 60.6 PER CENT.

/LOANS TO .....

LOANS TO INDIVIDUALS FOR THE PURCHASE OF RESIDENTIAL PROPERTY (OTHER THAN FLATS IN THE HOME OWNERSHIP SCHEME) GREW BY 10.6 PER CENT THIS QUARTER, FOLLOWING AN INCREASE OF 5 PER CENT IN THE PRECEDING QUARTER. OVER THE YEAR, THESE LOANS GREW BY 28.6 PER CENT.

LOANS TO THE BUILDING, CONSTRUCTION AND PROPERTY DEVELOPMENT SECTOR DECLINED SLIGHTLY BY 0.5 PER CENT IN THE FOURTH QUARTER OF 1989, AFTER A GROWTH OF 5.7 PER CENT IN THE PREVIOUS QUARTER. OVER THE YEAR, THESE LOANS INCREASED BY 63.6 PER CENT.

NUMBER OF REPORTING INSTITUTIONS  
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THE NUMBER OF REPORTING LICENSED BANKS AND LICENSED DEPOSIT-TAKING COMPANIES REMAINED UNCHANGED AT 165 AND 36 RESPECTIVELY. THE NUMBER OF REGISTERED DEPOSIT-TAKING COMPANIES DECREASED BY FOUR TO 202.

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NOTE TO EDITORS:

TABLES 1 AND 2 WILL BE SENT BY FACSIMILE AND BOXED.

/TABLE 1 .....

TABLE 1 : MONETARY STATISTICS - DECEMBER 1989

	(HK\$mn)			
	Dec 1989	Earlier months (% change to December 1989)		
	Nov 1989	Sep 1989	Dec 1988	
<b>Money Supply</b>				
M1 - HK\$	85,183	85,661 (-0.6 %)	85,383 (-0.2 %)	79,257 (7.5 %)
Foreign currency	9,675	8,894 (8.8 %)	8,989 (7.6 %)	9,577 (1.0 %)
Total	94,858	94,554 (0.3 %)	94,372 (0.5 %)	88,834 (6.8 %)
M2 - HK\$	403,987	395,529 (2.1 %)	387,027 (4.4 %)	355,065 (13.8 %)
Foreign currency	584,849	570,510 (2.5 %)	536,745 (9.0 %)	469,583 (24.5 %)
Total	988,836	966,039 (2.4 %)	923,772 (7.0 %)	824,648 (19.9 %)
M3 - HK\$	434,376	426,742 (1.8 %)	419,243 (3.6 %)	389,052 (11.6 %)
Foreign currency	625,831	610,671 (2.5 %)	572,346 (9.3 %)	504,291 (24.1 %)
Total	1,060,207	1,037,413 (2.2 %)	991,588 (6.9 %)	893,342 (18.7 %)
Notes and coins in circulation	39,670	36,542 (8.6 %)	36,668 (8.2 %)	34,087 (16.4 %)
of which held by public	34,192	31,974 (6.9 %)	32,271 (6.0 %)	29,877 (14.4 %)
<b>Total Deposits</b>				
Total Demand deposits	60,666	62,580 (-3.1 %)	62,101 (-2.3 %)	58,958 (2.9 %)
Total Savings deposits	193,186	183,354 (5.4 %)	175,364 (10.2 %)	175,529 (10.1 %)
Total Time deposits with banks	683,802	671,205 (1.9 %)	637,212 (7.3 %)	544,502 (25.6 %)
Total Time deposits with dtcs	70,004	69,964 (0.1 %)	65,770 (6.4 %)	66,531 (5.2 %)
HK\$ deposits	387,640	382,174 (1.4 %)	374,378 (3.5 %)	346,744 (11.8 %)
US\$ deposits	325,088	312,362 (4.1 %)	300,585 (8.2 %)	266,561 (22.0 %)
Other foreign currency deposits	294,929	292,567 (0.8 %)	265,483 (11.1 %)	232,216 (27.0 %)
All deposits	1,007,658	987,103 (2.1 %)	940,446 (7.1 %)	845,520 (19.2 %)
Foreign currency swap deposits	63,122	61,488 (2.7 %)	61,982 (1.8 %)	43,689 (44.5 %)
<b>Total Loans and advances</b>				
To finance H.K.'s visible trade	63,562	63,215 (0.5 %)	64,423 (-1.3 %)	57,022 (11.5 %)
To finance merchandising trade not touching H.K.	10,427	10,425 (0.0 %)	10,023 (4.0 %)	12,344 (-15.5 %)
Other loans for use in H.K.	584,594	577,988 (1.1 %)	561,481 (4.1 %)	456,487 (28.1 %)
Other loans for use outside H.K.	505,396	467,631 (8.1 %)	503,896 (0.3 %)	381,524 (32.5 %)
Other loans where the place of use is not known	107,920	80,205 (31.6 %)	90,043 (19.9 %)	54,800 (96.9 %)
Loans in HK\$	525,239	518,205 (1.4 %)	507,120 (3.6 %)	404,572 (29.8 %)
Loans in foreign currencies	746,659	681,257 (9.6 %)	722,744 (3.3 %)	557,606 (33.9 %)
Total loans and advances	1,271,899	1,199,462 (6.0 %)	1,229,865 (3.4 %)	962,177 (32.2 %)

TABLE 2 : QUARTERLY ANALYSIS OF LOANS FOR USE IN HONG KONG BY SECTOR - DECEMBER 1989 # +

(HK\$mn)

	Dec 1989	Earlier quarters (% change to December 1989)		
	-----	Sep 1989	Jun 1989	Dec 1988
	-----	-----	-----	-----
Manufacturing	46,267	47,618 ( -2.8 %)	47,291 ( -2.2 %)	39,011 ( 18.6 %)
Transport and transport equipment	37,174	33,435 ( 11.2 %)	27,043 ( 37.5 %)	23,380 ( 59.0 %)
Building, construction, property development and investment	96,299	96,772 ( -0.5 %)	91,518 ( 5.2 %)	58,864 ( 63.6 %)
Wholesale and retail trade	62,663	62,729 ( -0.1 %)	65,874 ( -4.9 %)	59,744 ( 4.9 %)
Financial concerns *	85,158	74,919 ( 13.7 %)	67,625 ( 25.9 %)	53,040 ( 60.6 %)
Individuals:				
to purchase flats in the Home Ownership Scheme and Private Sector Participation Scheme	10,605	9,880 ( 7.3 %)	9,209 ( 15.2 %)	8,656 ( 22.5 %)
to purchase other residential property	99,493	89,957 ( 10.6 %)	85,635 ( 16.2 %)	77,359 ( 28.6 %)
other purposes	55,105	52,756 ( 4.5 %)	53,420 ( 3.2 %)	48,050 ( 14.7 %)
Others	91,830	93,414 ( -1.7 %)	87,608 ( 4.8 %)	88,383 ( 3.9 %)
Total	584,594	561,481 ( 4.1 %)	535,224 ( 9.2 %)	456,487 ( 28.1 %)

# Starting from December 1988, more detailed statistics on loans to the transport sector, to building, construction, property development and investment and to financial concerns are available. They will be published in the Monthly Digest of Statistics from the January 1989 issue onwards.

+ In December 1988, the return for reporting loans for use by sector was revised. As a result of this, some authorized institutions have now more properly classified their loans according to intended usage rather than the business of the loan recipients. This reclassification is an important reason accounting for the significant increase in loans to certain sectors, for example, the building, construction and property development sector and financial concerns.

\* This excludes funds advanced to banks and deposit-taking companies

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CONSTRUCTION OUTPUT STATISTICS FOR THIRD QUARTER RELEASED

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THE GROSS VALUE OF CONSTRUCTION WORK PERFORMED BY MAIN CONTRACTORS (INCLUDING WORK CARRIED OUT AT CONSTRUCTION SITES, AT ERECTED BUILDINGS AND STRUCTURES, AND AT OTHER MINOR WORK LOCATIONS) IN THE THIRD QUARTER OF 1989 AMOUNTED TO \$12,667 MILLION.

THIS WAS 6.2 PER CENT HIGHER THAN IN THE SECOND QUARTER OF 1989, AND 32.1 PER CENT HIGHER THAN IN THE THIRD QUARTER OF 1988, ACCORDING TO THE RESULTS OF THE QUARTERLY SURVEY OF CONSTRUCTION OUTPUT RELEASED TODAY (MONDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

A SPOKESMAN FOR THE DEPARTMENT POINTED OUT THAT THE INCREASE OF 32.1 PER CENT IN THE TOTAL VALUE OF CONSTRUCTION WORK IN THE THIRD QUARTER OF 1989 OVER THE SAME QUARTER IN 1988 WAS PARTLY ATTRIBUTABLE TO INCREASE IN CONSTRUCTION COSTS. HOWEVER, AFTER DISCOUNTING THE COST INCREASES, THE REAL GROWTH IN THE VOLUME OF CONSTRUCTION WORK PERFORMED SHOULD STILL BE SIGNIFICANT.

THE INDEX OF THE GROSS VALUE OF CONSTRUCTION WORK PERFORMED BY MAIN CONTRACTORS FOR THE THIRD QUARTER OF 1989 WAS 192.2, WITH THE QUARTERLY AVERAGE OF 1982 BEING TAKEN AS 100. THE CORRESPONDING INDEXES FOR THE SECOND QUARTER OF 1989 AND THE THIRD QUARTER OF 1988 WERE 180.9 AND 145.5 RESPECTIVELY.

THE GROSS VALUE OF CONSTRUCTION WORK PERFORMED BY MAIN CONTRACTORS AT CONSTRUCTION SITES IN THE THIRD QUARTER OF 1989 WAS \$9,766 MILLION. THIS WAS 6.2 PER CENT HIGHER THAN IN THE PRECEDING QUARTER AND 33.7 PER CENT HIGHER THAN IN THE THIRD QUARTER OF 1988.

APART FROM WORK PERFORMED AT CONSTRUCTION SITES, THE GROSS VALUE OF CONSTRUCTION WORK PERFORMED BY MAIN CONTRACTORS AT ERECTED BUILDINGS AND STRUCTURES AND OTHER MINOR WORK LOCATIONS WAS \$2,901 MILLION, WHICH WAS 6.6 PER CENT AND 27.2 PER CENT HIGHER THAN IN THE PRECEDING QUARTER AND THE THIRD QUARTER OF 1988 RESPECTIVELY.

OF THE GROSS VALUE OF CONSTRUCTION WORK PERFORMED BY MAIN CONTRACTORS AT CONSTRUCTION SITES, \$3,672 MILLION WAS RELATED TO CONSTRUCTION PROJECTS OF THE PUBLIC SECTOR (INCLUDING THE GOVERNMENT, MASS TRANSIT RAILWAY CORPORATION AND KOWLOON-CANTON RAILWAY CORPORATION). THIS REPRESENTED INCREASES OF 22.4 PER CENT OVER THE PRECEDING QUARTER AND 47.9 PER CENT OVER THE THIRD QUARTER OF 1988.

THE REMAINING \$6,094 MILLION WAS RELATED TO CONSTRUCTION PROJECTS OF THE PRIVATE SECTOR. IT WAS 1.7 PER CENT LOWER THAN IN THE PRECEDING QUARTER BUT 26.4 PER CENT HIGHER THAN IN THE THIRD QUARTER OF 1988.

/WHEN ANALYSED .....

WHEN ANALYSED BY END-USE OF BUILDINGS AND STRUCTURES, THE GROSS VALUE OF CONSTRUCTION WORK PERFORMED BY MAIN CONTRACTORS AT CONSTRUCTION SITES IN RESPECT OF RESIDENTIAL BUILDINGS (INCLUDING COMBINED RESIDENTIAL AND NON-RESIDENTIAL BUILDINGS) AND TRANSPORT PROJECTS IN THE THIRD QUARTER OF 1989 WAS \$4,108 MILLION AND \$1,659 MILLION RESPECTIVELY.

THESE REPRESENTED INCREASES OF 3.0 PER CENT AND 14.4 PER CENT RESPECTIVELY OVER THE PRECEDING QUARTER, AND OF 20.4 PER CENT AND 91.6 PER CENT RESPECTIVELY OVER THE THIRD QUARTER OF 1988.

THE GROSS VALUE OF CONSTRUCTION WORK PERFORMED BY MAIN CONTRACTORS AT CONSTRUCTION SITES IN RESPECT OF COMMERCIAL BUILDINGS IN THE THIRD QUARTER OF 1989 WAS \$1,319 MILLION, REPRESENTING A DECREASE OF 7.0 PER CENT WHEN COMPARED WITH THE PRECEDING QUARTER BUT AN INCREASE OF 18.9 PER CENT OVER THE THIRD QUARTER OF 1988.

OWING TO THE WIDESPREAD SUB-CONTRACTING PRACTICE IN THE CONSTRUCTION SECTOR, A CONSTRUCTION ESTABLISHMENT CAN BE A MAIN CONTRACTOR FOR ONE CONTRACT AND A SUB-CONTRACTOR FOR ANOTHER CONTRACT SIMULTANEOUSLY.

THE GROSS VALUE OF CONSTRUCTION WORK PERFORMED BY MAIN CONTRACTORS REFERS TO THE OUTPUT OF THOSE CONSTRUCTION ESTABLISHMENTS IN THE PROJECTS IN WHICH THEY TAKE THE ROLE OF A MAIN CONTRACTOR, AND DOES NOT INCLUDE THE CONSTRUCTION OUTPUT OF PROJECTS IN WHICH THEY PLAY THE ROLE OF SUB-CONTRACTORS.

HOWEVER, SUB-CONTRACTORS' CONTRIBUTION TO PROJECTS SHOULD HAVE BEEN INCLUDED IN THE GROSS VALUE OF CONSTRUCTION WORK PERFORMED BY THE MAIN CONTRACTORS FOR WHOM THEY WORKED.

MORE DETAILED INFORMATION ON CONSTRUCTION OUTPUT IS GIVEN IN THE "REPORT ON THE QUARTERLY SURVEY OF CONSTRUCTION OUTPUT, 3RD QUARTER 1989".

THIS IS ON SALE AT \$2.50 A COPY AT THE GOVERNMENT PUBLICATIONS CENTRE, GPO BUILDING, CONNAUGHT PLACE, CENTRAL, AND AT THE CENSUS AND STATISTICS DEPARTMENT PUBLICATIONS SALES COUNTER, WANCHAI TOWER I, 19TH FLOOR, 12 HARBOUR ROAD, WAN CHAI.

REGULAR SUBSCRIPTION MAY ALSO BE ARRANGED.

ENQUIRIES FOR FURTHER INFORMATION ABOUT THE SURVEY MAY BE DIRECTED TO THE BUILDING, CONSTRUCTION AND REAL ESTATE STATISTICS SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL. 8234860.

MONDAY, FEBRUARY 5, 1990

- 13 -

FIRST WOMAN ASSISTANT DIRECTOR OF EDUCATION RETIRES

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A FAREWELL PARTY WAS HELD TODAY (MONDAY) FOR THE FIRST WOMAN TO BECOME AN ASSISTANT DIRECTOR OF EDUCATION, MRS RUBY LAU, WHO IS RETIRING AFTER 30 YEARS OF SERVICE.

SPEAKING AT THE CEREMONY, THE DIRECTOR OF EDUCATION, MR Y.T. LI, PRAISED MRS LAU FOR HER DISTINGUISHED SERVICE AND CONTRIBUTION TO A WIDE RANGE OF AREAS SUCH AS CURRICULUM DEVELOPMENT AND TEACHER TRAINING.

"THROUGHOUT HER CAREER, MRS LAU HAS DISPLAYED A HIGH STANDARD OF PROFESSIONAL COMPETENCE AND DEDICATION," HE SAID.

MRS LAU JOINED THE DEPARTMENT AS AN ASSISTANT EDUCATION OFFICER IN 1959. SHE BECAME A SCHOOL INSPECTOR IN 1965 AND WAS PROMOTED TO PRINCIPAL INSPECTOR IN 1974 TASKED WITH CURRICULUM PLANNING FOR PRIMARY EDUCATION.

SHE WAS PROMOTED TO DEPUTY CHIEF INSPECTOR IN 1984 AND ROSE TO THE PRESENT RANK OF ASSISTANT DIRECTOR IN CHARGE OF FURTHER EDUCATION IN 1987.

THE DIRECTOR, ON BEHALF OF COLLEAGUES AND FRIENDS, PRESENTED HER WITH A MESSAGE LOUNGER AS A RETIREMENT GIFT.

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TRAFFIC TRIAL SCHEME ON AGENDA

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THE WONG TAI SIN DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE WILL DISCUSS AT A MEETING TOMORROW (TUESDAY) RESULTS OF A TRIAL SCHEME IN PROHIBITING GOODS VEHICLES FROM USING THE LUNG CHEUNG ROAD WESTBOUND SLIP ROAD NEAR THE LION ROCK TUNNEL.

THE SCHEME WAS INTRODUCED IN JULY LAST YEAR TO PROVIDE A 10-MINUTE EXTENSION OF THE OPERATION OF THE "TIDAL FLOW" IN THE LION ROCK TUNNEL.

IN ADDITION, THE FEASIBILITY OF THE RE-INTRODUCTION OF THE ONE-WAY TOLL SCHEME AT THE TUNNEL WILL BE DISCUSSED.

/OTHER ITEMS .....

OTHER ITEMS ON THE AGENDA INCLUDE THE COMMITTEE'S PROPOSED BUDGET FOR 1990-91, A REPORT ON THE VISIT TO THE WONG TAI SIN DISTRICT BY THE COMMISSIONER FOR TRANSPORT IN DECEMBER, AND TRAFFIC AND TRANSPORT MATTERS DISCUSSED AT AREA COMMITTEES MEETINGS.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE MEETING OF THE WONG TAI SIN DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE TO BE HELD TOMORROW (TUESDAY) IN THE WONG TAI SIN DISTRICT OFFICE CONFERENCE ROOM, FOURTH FLOOR, SAN PO KONG GOVERNMENT OFFICES BUILDING, KING FUK STREET.

THE MEETING WILL BEGIN AT 2.30 PM.

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DB COMMITTEE TO DISCUSS NT EXEMPTED HOUSE POLICY

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A CO-OPTED MEMBER OF THE SHA TIN DISTRICT BOARD'S DEVELOPMENT AND HOUSING COMMITTEE WILL PRESENT A PAPER SEEKING REMODELLING OF THE GOVERNMENT'S POLICY ON "EXEMPTED" HOUSES IN THE NEW TERRITORIES AT A COMMITTEE MEETING ON WEDNESDAY (FEBRUARY 7).

THE MEMBER CONSIDERS THE ABSENCE OF ANY PLANNING CONTROL ON THESE HOUSES HAS RESULTED IN A NUMBER OF ENVIRONMENTAL AND SOCIAL PROBLEMS SUCH AS BAD LIGHTING AND VENTILATION, DANGEROUS PROJECTIONS AND INDISTINCT LOT BOUNDARIES.

IN OTHER MATTERS, A BOARD MEMBER WILL ENQUIRE ABOUT POLLUTION CAUSED BY CAR REPAIR AND METAL COMPRESSING UNDERTAKINGS ON AGRICULTURAL LAND.

OTHER MEMBERS WILL ASK IF SHA TIN WILL BE COVERED BY THE PROPOSED SCHEME TO SELL PUBLIC HOUSING FLATS TO SITTING TENANTS AND WHETHER THE DISTRICT BOARD WILL BE CONSULTED BEFORE THE ANNOUNCEMENT.

ENVIRONMENTAL PROBLEMS CREATED BY A CHINESE RESTAURANT IN CITY ONE PLAZA AND BY A PIECE OF VACANT CROWN LAND BETWEEN SHA TIN WOMEN'S ASSOCIATION AND GREENVIEW GARDEN IN CHUI TIN STREET WILL BE DISCUSSED.

/IN ADDITION .....

IN ADDITION, THE SHA TIN DISTRICT OFFICE WILL CONSULT THE MEETING ON THE PROPOSED PRIORITIES OF MINOR ENVIRONMENTAL IMPROVEMENT PROJECTS IN 1990-91, WHICH WILL COST SOME \$740,000.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE SHA TIN DISTRICT BOARD'S DEVELOPMENT AND HOUSING COMMITTEE MEETING ON WEDNESDAY (FEBRUARY 7) AT THE DISTRICT BOARD CONFERENCE ROOM ON THE SIXTH FLOOR, KCR HOUSE, SHA TIN STATION. THE MEETING WILL BEGIN AT 9.30 AM.

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WATER STORAGE FIGURE

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STORAGE IN HONG KONG'S RESERVOIRS AT 9 AM TODAY (MONDAY) STOOD AT 39.4 PER CENT OF CAPACITY OR 230.707 MILLION CUBIC METRES.

THIS TIME LAST YEAR THE RESERVOIRS CONTAINED 218.479 MILLION CUBIC METRES OF WATER, REPRESENTING 37.3 PER CENT OF CAPACITY.

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WATER CUTS IN SHAM SHUI PO AND NORTH POINT

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FRESH WATER SUPPLY TO CERTAIN PREMISES IN SHAM SHUI PO WILL BE SUSPENDED FROM 11 PM ON WEDNESDAY (FEBRUARY 7) TO 6 AM THE NEXT DAY TO FACILITATE LEAKAGE TESTS.

THE SUSPENSION WILL AFFECT CERTAIN PREMISES LOCATED AT NAM CHEONG STREET, LAI CHI KOK ROAD, PEI HO STREET AND TUNG CHAU STREET, YEE KUK STREET AND HAI TAN STREET.

ON THE SAME DAY (FEBRUARY 7), ALSO TO FACILITATE LEAKAGE TESTS, FLUSHING WATER SUPPLY TO CERTAIN PREMISES IN NORTH POINT WILL BE SUSPENDED FROM 11 PM TO 6 AM THE NEXT DAY.

THE SUSPENSION WILL AFFECT ALL PREMISES BOUNDED BY KING'S ROAD, MERLIN STREET, WATSON ROAD, SEAFRONT AND HING FAT STREET, INCLUDING NOS. 25-145 (ODD NUMBERS), NOS. 52-68 (EVEN NUMBERS) AND NOS. 250-276 OF KING'S ROAD, AND NOS. 1-9 COMFORT TERRACE.

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