



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

THURSDAY, MAY 16, 1991

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HK HAS EXCELLENT ABILITY TO SERVICE AND REPAY DEBT

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THE GOVERNMENT'S PLAN TO ISSUE TWO OR THREE YEAR BONDS LATER THIS YEAR WILL BE AN IMPORTANT MEASURE TO PROVIDE CONTINUITY IN THE MATURITY SPECTRUM OF GOVERNMENT DEBT, PAVING THE WAY FOR THE POSSIBLE ISSUE OF LONGER TERM MATURITIES AT A LATER DATE.

THE FINANCIAL SECRETARY, SIR PIERS JACOBS, SAID THIS AT THE OPENING OF THE CONFERENCE OF ASSOCIATION OF INTERNATIONAL BOND DEALERS THIS (THURSDAY) MORNING.

HE SAID THIS WOULD BE THE LOGICAL NEXT STEP TO TAKE IN ORDER TO DERIVE MAXIMUM BENEFIT FROM THE EFFICIENT MARKET INFRASTRUCTURE THE GOVERNMENT HAD CREATED THROUGH THE EXCHANGE FUND BILLS PROGRAMME.

"PROCEEDS OF THE BOND PROGRAMME WILL BE FOR GOVERNMENT CAPITAL EXPENDITURE PURPOSES, WHILE THOSE OF THE EXCHANGE FUND BILLS PROGRAMME WILL CONTINUE TO BE FOR THE ACCOUNT OF THE EXCHANGE FUND.

"THE BORROWER WILL, HOWEVER, BE THE SAME -- THE HONG KONG GOVERNMENT," HE SAID.

DETAILS OF THE BOND PROGRAMME WERE BEING WORKED OUT BY THE OFFICE OF THE EXCHANGE FUND WHICH WOULD BE CONSULTING POTENTIAL MARKET PARTICIPANTS SOON, SIR PIERS SAID, ADDING THAT HE WAS CONFIDENT OF THE SAME SUPPORT FROM THE MARKET AS IT GAVE FOR THE EXCHANGE FUND BILLS.

HE SAID HE HOPED PROPOSED AMENDMENT LEGISLATION ENABLING GOVERNMENT BONDS TO BE ISSUED IN PAPERLESS FORM AND BE EXEMPTED FROM PROFITS TAX AND STAMP DUTY WOULD RECEIVE THE APPROVAL OF THE LEGISLATIVE COUNCIL DURING THE CURRENT SESSION.

"THIS WILL ENABLE THE BOND PROGRAMME TO START IN THE SECOND HALF OF THIS YEAR, TAKING FULL ADVANTAGE OF THE MOMENTUM INITIATED BY THE EXCHANGE FUND BILLS PROGRAMME," HE SAID.

ON THE GOVERNMENT'S ROLE IN THE DEVELOPMENT OF THE DEBT MARKET, SIR PIERS SAID IT SHOULD BE LIMITED TO FACILITATING, BUT NOT SUBSIDISING, MARKET DEVELOPMENT.

"IN BRIEF, WE TAKE THE VIEW THAT, AS FAR AS PRACTICABLE, WE SHOULD LET THE PRIVATE SECTOR GET ON WITH IT."

WHILE THIS ATTITUDE WOULD CONTINUE TO GUIDE THE GOVERNMENT POLICY THINKING, HE SAID THAT AT A TIME WHEN FISCAL OR MONETARY CONDITIONS DID JUSTIFY BRINGING GOVERNMENT DEBT TO THE MARKET, THERE SHOULD BE NO OBJECTION TO DOING SO PRUDENTLY, AND IN A MANNER WHICH WOULD ASSIST IN THE DEVELOPMENT OF THE DEBT MARKET.

"THIS IS, IN FACT, THE STAGE WE ARE GOING THROUGH AT THE MOMENT," HE SAID.

/"WE NOW

"WE NOW FACE A SITUATION IN WHICH THERE IS STRONG DEMAND FOR FIRST CLASS HONG KONG DOLLAR DEBT PAPER BY FINANCIAL INSTITUTIONS IN CONNECTION WITH THEIR MONEY MARKET ACTIVITIES AND BY FINAL INVESTORS OF AN UNKNOWN BUT REPORTEDLY LARGE QUANTITY.

"WE ALSO FACE A SITUATION IN WHICH WE ARE LIKELY TO BE BORROWING JUDICIOUSLY TO FUND PART OF OUR CAPITAL EXPENDITURE ASSOCIATED WITH THE DEVELOPMENT OF OUR INFRASTRUCTURE IN THE COMING YEARS.

"THE SENSIBLE THING TO DO IS TO BRING THE TWO TOGETHER THROUGH FURTHER DEVELOPMENT OF THE DEBT MARKET IN HONG KONG," HE SAID.

TURNING TO RISK AREAS IN RELATION TO HONG KONG DOLLAR DEBT, SIR PIERS SAID FOR CURRENCY RISK, THERE WAS VIRTUALLY NO RISK FOR THOSE RUNNING A U.S. DOLLAR BOOK.

"WE ARE SERIOUS ABOUT MAINTAINING THE LINK OF THE HONG KONG DOLLAR WITH THE U.S. DOLLAR.

"WE CONSIDER THIS TO BE ONE OF THE MOST IMPORTANT FACTORS IN THE MAINTENANCE OF STABILITY AND PROSPERITY FOR HONG KONG.

"WE HAVE STRENGTHENED OUR SYSTEM CONSIDERABLY THROUGH MONETARY REFORM MEASURES INTRODUCED IN THE PAST FOUR YEARS. IT HAS WITHSTOOD THE SHOCKS OF JUNE 1989 AND THE GULF WAR WITHOUT DIFFICULTY," HE SAID.

HE ALSO URGED DELEGATES TO MAKE THEIR ASSESSMENT OF CURRENCY RISK AGAINST THE BACKGROUND OF CLEAR ASSURANCES ON THE HONG KONG DOLLAR DELINEATED IN THE SINO-BRITISH JOINT DECLARATION.

ON CREDIT RISK, SIR PIERS SAID THE GOVERNMENT IMPOSED UPON ITSELF STRICT DISCIPLINE IN THE MANAGEMENT OF PUBLIC FINANCES.

"ONE OF THE GUIDELINES THAT WE FOLLOW IS THAT THERE SHOULD BE A SURPLUS ON OUR RECURRENT ACCOUNT WHICH IS LARGE ENOUGH TO FINANCE AT LEAST HALF OF OUR CAPITAL EXPENDITURE.

"THIS WILL ENSURE THAT WE WILL NOT, UNDER ANY CIRCUMSTANCES, BE BORROWING TO FUND RECURRENT EXPENDITURE, ALTHOUGH MANY COUNTRIES DO.

"WE HAVE ALSO BUILT UP HEALTHY FISCAL RESERVES WHICH NOW RUN TO ABOUT 70 PER CENT OF OUR ANNUAL FISCAL BUDGET. PART OF THIS MAY BE DRAWN UPON, IF REQUIRED, TO FUND THAT PART OF THE CAPITAL EXPENDITURE WHICH CANNOT BE COVERED BY THE SURPLUS ON THE RECURRENT ACCOUNT AND BY THE SUBSTANTIAL CAPITAL REVENUE DERIVED MAINLY FROM LAND SALES.

"HOWEVER, A PRUDENT LEVEL OF RESERVES WILL BE MAINTAINED. I AM WELL AWARE OF THE SAYING THAT YOU CAN BORROW ONLY WHEN YOU HAVE MONEY IN THE BANK."

HE TOLD DELEGATES AT THE CONFERENCE THAT HONG KONG WOULD CONTINUE TO BE A GOOD RISK BOTH BEFORE AND AFTER 1997.

"IN THE YEARS TO COME, WE SHALL, IN MANAGING OUR PUBLIC FINANCES, CONTINUE TO OBSERVE THE FISCAL DISCIPLINE THAT HAS SERVED US WELL IN THE PAST.

"THIS MEANS THAT WE SHALL HAVE AN EXCELLENT ABILITY TO SERVICE AND REPAY DEBT," HE STRESSED.

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NO EASY OPTIONS IN REVENUE AND TAXES

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THE FINANCIAL SECRETARY (DESIGNATE), MR HAMISH MACLEOD, BROUGHT OUT THE DILEMMA INVOLVING GOVERNMENT REVENUE IN A SPEECH TO THE ANNUAL DINNER OF THE HONG KONG INSTITUTE OF ECONOMIC SCIENCE THIS (THURSDAY) EVENING.

"THE PROBLEM WITH DIRECT TAXES IS NOT JUST THE VOLATILITY," HE SAID.

"THEY ARE ALSO UNEASILY DEPENDENT UPON A RELATIVELY NARROW PART OF THE COMMUNITY, AND HENCE NOT AS ROBUST -- RELIABLE -- AS ONE WOULD LIKE.

"IT IS TRUE THAT WE HAVE ABOUT 1.2 MILLION SALARIES TAXPAYERS -- THOUGH EVEN THIS IS ONLY ABOUT HALF OUR WORKFORCE.

"BUT 56 PER CENT OF OUR SALARIES TAX RECEIPTS IS CONTRIBUTED BY ONLY 100,000 STANDARD RATE TAXPAYERS - ONLY 8.3 PER CENT OF THE TOTAL," HE SAID.

HE NOTED THAT A SIMILAR PROBLEM AROSE WITH PROFITS TAX. "JUST 140 BUSINESSES, OR 0.1 PER CENT OF ALL HONG KONG'S BUSINESSES, CONTRIBUTE ONE THIRD OF ALL PROFITS TAX PAID."

HE SAID CLEARLY IT WAS IMPORTANT TO MAINTAIN AN ECONOMIC, FISCAL AND POLITICAL CLIMATE ATTRACTIVE TO THESE MAJOR EMPLOYERS AND REVENUE SOURCES.

"NOT ALL OF THIS IS WITHIN OUR CONTROL -- FOR EXAMPLE, LOWER ECONOMIC GROWTH WOULD HAVE A CONSIDERABLE ADVERSE IMPACT ON DIRECT TAX REVENUE. BUT OUR LOW TAX SYSTEM IS CLEARLY ONE OF HONG KONG'S ATTRACTIONS.

"IF THAT WAS THE END OF THE STORY, THE SOLUTION WOULD BE OBVIOUS -- MOVE MORE VIGOROUSLY INTO INDIRECT TAXES," HE SAID.

MR MACLEOD NOTED THAT THERE WERE ALSO PROBLEMS WITH INDIRECT TAXES. WHILE SOME INDIRECT TAXES WERE INDEED VERY STABLE, SOME WERE NOT AND A GOOD EXAMPLE WAS STAMP DUTY WHICH WAS VERY VULNERABLE TO FLUCTUATIONS IN THE PROPERTY OR STOCK MARKETS, HE SAID.

"A MORE IMPORTANT PROBLEM WITH INDIRECT TAXES IS THAT THE STABILITY OF MANY SUCH TAXES ARISES BECAUSE THEY AFFECT A LARGE NUMBER OF PEOPLE -- AND THIS VERY FACT TENDS TO MAKE THEM UNPOPULAR.

"ADD TO THIS THAT SUCH TAXES TEND TO PUSH UP THE CPI(A) -- THE PERCEIVED MEASURE OF INFLATION -- AND THAT THEY TEND TO BE REGRESSIVE -- TO APPLY TO BOTH RICH AND POOR -- AND THE POTENTIAL DRAWBACKS BECOME CLEAR," MR MACLEOD SAID.

HE CONCLUDED THAT THERE WERE NO EASY OPTIONS IN THE FIELD OF REVENUE AND TAXES AND THE BASIC DILEMMA WOULD REMAIN.

EARLIER, MR MACLEOD SAID THE GOVERNMENT'S FIRM AIM WAS NOT TO LET THE GOVERNMENT GET TOO BIG -- A RECOGNITION THAT THE LION'S SHARE OF SCARCE RESOURCES NEEDS TO BE KEPT FOR THE PRODUCERS OF WEALTH, THE PRIVATE SECTOR.

"HENCE OUR GUIDELINE THAT WE SHOULD KEEP THE GROWTH IN PUBLIC EXPENDITURE IN LINE WITH THE TREND GROWTH IN THE ECONOMY (OR GDP).

"THUS FOR EXAMPLE IF YOU COMPARE THE APPROVED ESTIMATES OF EXPENDITURE IN 1991-92 WITH THOSE FOR THE PREVIOUS YEAR YOU FIND A GROWTH RATE OF UNDER FIVE PER CENT, COMPARED WITH A TREND GROWTH RATE OF 5.5 PER CENT," HE SAID.

HE POINTED OUT THAT SOMETIMES THIS CONTROL ALONE RESULTED IN EXPENDITURE BEING COVERED BY REVENUE, AND NO NET INCREASE IN REVENUE WAS THEREFORE NEEDED.

"AT OTHER TIMES -- AND UNFORTUNATELY WE ARE NOW IN ONE OF THOSE PERIODS -- WE CAN SEE FROM OUR FORWARD PROJECTIONS THAT IF WE ARE TO PRODUCE A REASONABLE CASH FLOW, EVEN AFTER DRAWING ON RESERVES, WE NEED SOME INCREASE IN REVENUE -- IF WE ARE TO MAKE THE INVESTMENTS IN OUR FUTURE WE THINK ARE BOTH NEEDED, AND WITHIN OUR MEANS," MR MACLEOD SAID.

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HK TO BE ADMITTED TO PECC AS FULL MEMBER

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HONG KONG WILL BE ADMITTED AS A FULL MEMBER OF THE PACIFIC ECONOMIC CO-OPERATION CONFERENCE (PECC) AT ITS EIGHTH GENERAL MEETING IN SINGAPORE ON MAY 20 - 22.

A 14-MEMBER DELEGATION FROM HONG KONG COMPRISING GOVERNMENT OFFICIALS, ACADEMICS AND BUSINESS LEADERS WILL PARTICIPATE IN THE PECC VIII MEETING.

HEADING IT WILL BE MR JOSEPH WONG WING-PING, DEPUTY SECRETARY FOR TRADE AND INDUSTRY AND CHAIRMAN OF THE HONG KONG COMMITTEE FOR PACIFIC ECONOMIC CO-OPERATION (HKCPEC).

"HONG KONG'S PRESENCE AT THE SINGAPORE MEETING WILL MARK A SIGNIFICANT MILESTONE IN THE TERRITORY'S PARTICIPATION IN ECONOMIC CO-OPERATION IN ASIA PACIFIC AS HONG KONG WILL BE FORMALLY ADMITTED ON THAT OCCASION AS A FULL MEMBER OF THE PECC," MR WONG SAID.

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"AS AN INTEGRAL PART OF THE REGIONAL ECONOMY, AS THE FOURTH LARGEST TRADING ENTITY IN THE REGION AND WITH TRADE WITH ASIA PACIFIC ACCOUNTING FOR 78 PER CENT (OR \$998 BILLION) OF HONG KONG'S TOTAL MERCHANDISE TRADE LAST YEAR, HONG KONG IS POISED TO CONTRIBUTE TO, AND BENEFIT FROM, REGIONAL ECONOMIC CO-OPERATION," HE ADDED.

HKCPEC WAS SET UP ON MARCH 19 LAST YEAR TO ADVISE ON MATTERS RELATING TO HONG KONG'S PARTICIPATION IN THE PECC AND TO CO-ORDINATE HONG KONG'S INPUT TO THE CONFERENCE.

IT COMPRISES PROMINENT PERSONS FROM BUSINESS AND ACADEMIC SECTORS AND FROM THE GOVERNMENT, ALL PARTICIPATING IN THEIR PERSONAL CAPACITY.

THE COMMITTEE LODGED A FORMAL APPLICATION FOR MEMBERSHIP OF PECC IN APRIL LAST YEAR.

THE HONG KONG DELEGATION TO PECC VIII WILL INCLUDE BOTH HKCPEC MEMBERS AS WELL AS OBSERVERS.

APART FROM MR WONG, PARTICIPANTS FROM THE GOVERNMENT SECTOR WILL INCLUDE AN ASSISTANT DIRECTOR-GENERAL OF TRADE, MR MATTHEW CHEUNG KIN-CHUNG, WHO IS ALSO SECRETARY-GENERAL OF HKCPEC; THE SECRETARY OF THE PORT DEVELOPMENT BOARD, MR ANTHONY CLARK; AND A PRINCIPAL TRADE OFFICER AT THE TRADE DEPARTMENT, MISS ANGELA LUK.

MEMBERS FROM THE BUSINESS SECTOR WILL BE DR VICTOR FUNG, CHAIRMAN OF PRUDENTIAL ASIA CAPITAL LTD; MR LEE JARK-PUI, EXECUTIVE DIRECTOR OF THE HONG KONG CHINESE BANK AND VICE-CHAIRMAN OF THE PACIFIC BASIN ECONOMIC COUNCIL, HONG KONG COMMITTEE; MRS ELEANOR LING, DIRECTOR OF JARDINE PACIFIC LTD; MR MARTIN TANG, MANAGING DIRECTOR OF NORMAN BROADBENT (HONG KONG) LTD; MR WILLY LIN, MANAGING DIRECTOR OF MILO'S MANUFACTURING CO. LTD; AND MR STEPHEN RIADY, EXECUTIVE DIRECTOR OF THE HONG KONG CHINESE BANK.

THE ACADEMIC SECTOR MEMBERS WILL BE PROFESSOR EDWARD CHEN, DIRECTOR OF THE CENTRE OF ASIAN STUDIES, THE UNIVERSITY OF HONG KONG; PROFESSOR YEUNG YUE-MAN, DIRECTOR OF THE HONG KONG INSTITUTE OF ASIA-PACIFIC STUDIES, CHINESE UNIVERSITY OF HONG KONG; DR FRANCES LAI, DIRECTOR OF THE CENTRE OF ASIAN PACIFIC STUDIES, LINGNAN COLLEGE; AND DR RICHARD WONG, SENIOR LECTURER OF THE DEPARTMENT OF ECONOMICS, CHINESE UNIVERSITY OF HONG KONG.

THE HONG KONG COMMITTEE HAS NOMINATED DR VICTOR FUNG TO ADDRESS THE GENERAL MEETING ON "PACIFIC GROWTH AND THE GLOBAL CAPITAL MARKET".

PECC IS A NON-GOVERNMENT ORGANISATION SET UP IN 1980 TO DEVELOP CLOSE CO-OPERATION IN TRADE AND ECONOMIC POLICY ISSUES IN THE PACIFIC REGION.

OVER THE YEARS, HONG KONG HAS SHOWN KEEN INTEREST IN THE WORK OF THE PECC, HAVING BEEN CLOSELY INVOLVED IN THE PACIFIC ECONOMIC OUTLOOK PROJECT SINCE ITS INCEPTION AND THE TRADE POLICY FORUM.

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SINCE THE FORMATION OF HKCPEC, HONG KONG HAS STEPPED UP ITS INVOLVEMENT IN THE PECC MOVEMENT, AND PARTICIPATED IN A SERIES OF RECENT EVENTS, INCLUDING THE TRANSPORTATION, TELECOMMUNICATION AND TOURISM (TRIPLE T) TASK FORCE WORKSHOP AND THE SCIENCE AND TECHNOLOGY SYMPOSIUM.

MEMBERSHIP OF THE PECC WILL INCREASE TO 19 FOLLOWING THE ADMISSION OF HONG KONG, CHILE, MEXICO AND PERU AT THE FORTHCOMING GENERAL MEETING.

OTHER MEMBER COMMITTEES ARE FROM AUSTRALIA, BRUNEI, CANADA, CHINA, INDONESIA, JAPAN, KOREA, MALAYSIA, NEW ZEALAND, THE PACIFIC ISLAND NATIONS, THE PHILIPPINES, SINGAPORE, TAIWAN (STYLED AS CHINESE TAIPEI), THAILAND AND THE USA.

THE SINGAPORE MEETING WILL BE OPENED BY THE PRIME MINISTER OF SINGAPORE, MR GOH CHOK TONG.

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HONG KONG - BEST ENTRY INTO PACIFIC REGION: YAXLEY

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HONG KONG OFFERS THE BEST ENTRY INTO THE ASIA PACIFIC REGION, PARTICULARLY TO CHINA, THE HONG KONG COMMISSIONER IN LONDON, MR JOHN YAXLEY, SAID WHEN ADDRESSING LEADING NORWEGIAN BANKERS, BUSINESSMEN AND INDUSTRIALISTS IN BERGEN AND OSLO EARLIER THIS WEEK.

SPEAKING IN THE TWO CITIES ON TUESDAY AND WEDNESDAY AT SEMINARS JOINTLY ORGANISED BY THE HONG KONG TRADE DEVELOPMENT COUNCIL AND DEN NORSKE BANK, MR YAXLEY OUTLINED THE DISTINGUISHING FEATURES OF HONG KONG'S ECONOMY.

"OUR TRADE IS EXTERNALLY ORIENTED TO AN ALMOST UNIQUE DEGREE AND WE ARE ABSOLUTELY DEPENDENT ON TRADE WITH THE REST OF THE WORLD."

THERE WERE, HE SAID, THREE DIMENSIONS TO HONG KONG'S EXTERNAL TRADE: FIRSTLY, ECONOMIC INTERDEPENDENCE WITH CHINA; SECONDLY, THE TERRITORY'S ROLE AS A REGIONAL CENTRE FOR ASIA PACIFIC; AND THIRDLY, TRADE WITH THE MAJOR WESTERN ECONOMIES.

"INDEED, THE POLITICAL RELATIONSHIP WITH CHINA IS CURRENTLY IN A HIGH PROFILE PHASE AND IS, FOR EXAMPLE, DIRECTLY AFFECTING THE PROSPECTS FOR HONG KONG'S PLANS TO BUILD A NEW AIRPORT."

WHILE NO ONE COULD BE CERTAIN WHAT POLITICAL DEVELOPMENTS WOULD TAKE PLACE IN BEIJING THIS DECADE, THERE WAS A CONSIDERABLE WEIGHT OF OPINION THAT CHINA WOULD REMAIN STABLE, CERTAINLY MORE SO THAN IN SOME OTHER PARTS OF THE WORLD, HE SAID.

"BUT WHATEVER SIGNIFICANCE YOU MAY ATTACH TO POLITICAL UNCERTAINTIES IN CHINA, THE IMPORTANT THING TO REMEMBER IS THAT HONG KONG HAS A FORTY YEAR TRACK RECORD OF SURVIVING ALONGSIDE A TURBULENT, TROUBLESOME AND SOMETIMES HOSTILE NEIGHBOUR," HE SAID.

IN TERMS OF REAL POLITICS, 1997 IS NOT GOING TO MAKE A GREAT DEAL OF DIFFERENCE.

"HONG KONG WOULD REMAIN FREE TO PURSUE ITS OWN ECONOMIC, SOCIAL AND FISCAL POLICIES," HE SAID.

ON ECONOMIC INTERDEPENDENCE BETWEEN HONG KONG AND CHINA, MR YAXLEY SAID THEY WERE EACH OTHER'S LARGEST TRADE PARTNERS.

HONG KONG WAS THE MOST IMPORTANT SOURCE OF EXTERNAL INVESTMENT IN CHINA.

IT WAS ALSO GENERALLY ESTIMATED THAT HONG KONG WAS THE SOURCE OF 30-40 PER CENT OF CHINA'S FOREIGN EXCHANGE EARNINGS.

THERE WAS ALSO INVESTMENT INTO HONG KONG FROM CHINA.

AT THE END OF 1989, CHINA RANKED THIRD AMONG FOREIGN INVESTORS IN HONG KONG'S MANUFACTURING INDUSTRY, AFTER USA AND JAPAN, WITH AN INVESTMENT OF SOME US\$300 MILLION.

"ALL IN ALL, THE ECONOMIC RELATIONSHIP BETWEEN HONG KONG AND CHINA IS FLOURISHING AND IS VERY GOOD NEWS FOR OUR FUTURE PROSPERITY. SOUTHERN CHINA IS INDEED OUR NATURAL HINTERLAND," MR YAXLEY SAID.

THE SECOND DIMENSION TO HONG KONG'S TRADE WAS HONG KONG'S ROLE AS THE REGIONAL CENTRE FOR ASIA PACIFIC. HONG KONG DEFINED THE REGION TO INCLUDE APART FROM CHINA AND HONG KONG, JAPAN, SOUTH KOREA, AND TAIWAN, THE SIX ASEAN COUNTRIES, AUSTRALIA AND NEW ZEALAND.

"INDEED, HONG KONG HAS BECOME A PLACE FOR COMPANIES TO SET UP THEIR REGIONAL HEADQUARTERS," HE NOTED.

OF OVER 2,000 INTERNATIONAL COMPANIES OPERATING IN HONG KONG, NEARLY 600 OF THOSE ARE REGIONAL HEADQUARTERS.

"OF THESE 600, HALF ARE ENGAGED IN TRADING. DESPITE BEING PART OF THE REGION THEMSELVES, 20 JAPANESE COMPANIES USE HONG KONG AS A BASE FOR REGIONAL HEADQUARTERS," HE SAID.

THIRDLY, HONG KONG WAS A MAJOR INTERNATIONAL FINANCIAL CENTRE. ALTOGETHER THERE WERE 138 FOREIGN BANKS LICENSED IN HONG KONG OF WHICH 77 ARE RANKED AMONG THE WORLD'S TOP 100.

"BUT FOR ALL THE GROWTH IN HONG KONG'S SERVICE SECTORS, BE IT IN THE FINANCIAL MARKETS OR IN TOURISM, MANUFACTURING AND DOMESTIC EXPORTS ARE STILL THE DRIVING FORCE OF THE HONG KONG ECONOMY.

"ANY CONSIDERATION OF HONG KONG'S ECONOMIC GROWTH PROSPECTS MUST START WITH WORLD TRADE IN GENERAL AND HONG KONG'S MARKETS IN PARTICULAR," MR YAXLEY SAID.

"FOR THE REST OF THE DECADE, HONG KONG WILL, AS ALWAYS, BE AFFECTED BY WHAT GOES ON ELSEWHERE IN THE WORLD, INCLUDING THE URUGUAY ROUND.

"I WILL MAKE ONLY ONE PREDICTION.

"EVEN IN THE UNLIKELY EVENT THAT THE REST OF THE WORLD FOLLOWS A PATH OF SMOOTH ECONOMIC PROGRESS, IN HONG KONG THERE WILL BE CHALLENGES AND THE CHALLENGES WILL PRESENT OPPORTUNITIES," HE SAID.

THE OPPORTUNITIES WILL BE CONSIDERABLE, THE COMMISSIONER SAID, NOT LEAST BECAUSE HONG KONG IS AT THE HUB OF THE ASIA PACIFIC REGION WITH ITS SIGNIFICANTLY HIGHER ECONOMIC GROWTH THAN THE REST OF THE WORLD.

MR YAXLEY CONCLUDED BY SAYING: "I PUT THIS QUESTION TO YOU AGAINST THE BACKGROUND THAT HERE IN NORWAY YOU HAVE MANY EXCITING DEVELOPMENTS ON YOUR DOORSTEP; THE CREATION OF THE EEC'S SINGLE MARKET BY 1993 AND THE ASSOCIATED EUROPEAN ECONOMIES AREA, THE LIBERALISATION OF EASTERN EUROPE, THE APPLICATION BY EFTA COUNTRIES FOR MEMBERSHIP OF THE EEC.

"DESPITE THESE OTHER PRIORITIES, CAN YOU AFFORD TO IGNORE THE ASIA PACIFIC REGION? I DON'T BELIEVE YOU CAN. SO PLEASE REMEMBER - HONG KONG OFFERS YOU THE BEST ENTRY INTO THE REGION, PARTICULARLY TO CHINA."

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

HKEF

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	DATE	\$ MILLION
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CLOSING BALANCE IN THE ACCOUNT ON	15.5.91	480
EFFECT OF FORWARDS TO BE SETTLED ON	16.5.91	-59
EFFECT OF OPERATIONS THIS MORNING		+59
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL
TRADE WEIGHTED INDEX 112.1 *+0.0* 16.5.91		

HONG KONG GOVERNMENT EXCHANGE FUND
91-DAY EXCHANGE FUND BILLS

HKEI

ISSUE NUMBER	MATURING ON	OUTSTANDING \$ MILLION
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Q115	10.7.91	350 +130
Q116	17.7.91	350 +130
Q117	24.7.91	338.5 +141.5
Q118	31.7.91	450 +30
Q119	7.8.91	415 +65
Q120	14.8.91	380 +100

Q108	22.5.91	510	-30
Q109	29.5.91	600	-120
Q110	5.6.91	310	+170
Q111	12.6.91	394	+86
Q112	19.6.91	640	-160
Q113	26.6.91	460	+20
Q114	3.7.91	520	-40

HONG KONG GOVERNMENT EXCHANGE FUND
182-DAY EXCHANGE FUND BILLS

HKEJ

ISSUE NUMBER	MATURING ON	OUTSTANDING \$ MILLION	
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H164	13.11.91	140	+120
H003	29.5.91	200	+60
H004	12.6.91	250	+10
H005	26.6.91	230	+30
H101	10.7.91	143	+117
H156	24.7.91	150	+110
H157	7.8.91	189.5	+70.5
H158	21.8.91	140	+120
H159	4.9.91	150	+110
H160	18.9.91	130	+130
H161	2.10.91	90	+170
H162	17.10.91	94	+166
H163	30.10.91	190	+70

HONG KONG GOVERNMENT EXCHANGE FUND
364-DAY EXCHANGE FUND BILLS

HKEK

ISSUE NUMBER	MATURING ON	OUTSTANDING \$ MILLION	
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Y187	26.2.92	230	+30
Y188	25.3.92	180	+80
Y189	22.4.92	190	+70

AVERAGE DAILY TRANSFER FOR WEEK ENDING 10.5.91 WAS 3,882 MN

OCCASIONAL CHILD CARE SERVICE EXPANDED

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THE SOCIAL WELFARE DEPARTMENT HAS EXPANDED ITS OCCASIONAL CHILD CARE SERVICE FROM THIS MONTH, A CHIEF SOCIAL WORK OFFICER, MRS KATHERINE SHIN, SAID TODAY (THURSDAY).

THE SERVICE IS AN EXPERIMENTAL PROJECT INTRODUCED BY THE DEPARTMENT IN NOVEMBER 1989 WITH A VIEW TO ELIMINATING THE RISK OF UNATTENDED YOUNG CHILDREN AT HOME.

"A REVIEW OF THE PROJECT HAS INDICATED THAT THERE WAS A NEED FOR THE SERVICE IN THE COMMUNITY. WE THEREFORE EXTEND THE PROJECT FOR A FURTHER 18 MONTHS," MRS SHIN SAID.

TO DATE, 50 GOVERNMENT-AIDED NURSERIES THROUGHOUT THE TERRITORY ARE PARTICIPATING IN THE PROJECT, OFFERING 150 PLACES TO CHILDREN AGED TWO TO SIX.

EARLIER IN THE TRIAL SCHEME, ONLY 15 NURSERIES TOOK PART AND OFFERED 105 PLACES.

SHE ALSO APPEALED TO PARENTS WHO HAVE TO LEAVE HOME FOR A SHORT SPELL FOR URGENT ENGAGEMENT TO MAKE THE BEST USE OF THE SERVICE, INSTEAD OF LEAVING THEIR YOUNG CHILDREN UNATTENDED AT HOME.

"RESIDENTS USING THE SERVICE WILL HAVE TO PAY \$25 FOR A HALF-DAY SERVICE AND \$50 FOR A WHOLE-DAY SERVICE, IN ADDITION TO A \$5 MEAL CHARGE PER DAY. HOWEVER, FAMILIES IN FINANCIAL DIFFICULTIES MAY APPLY FOR ASSISTANCE FROM THE DEPARTMENT," SHE SAID.

MEMBERS OF THE PUBLIC INTERESTED IN THE SERVICE MAY CALL THE SWD HOTLINE ON 343 2255 OR THE DEPARTMENT'S CHILD CARE CENTRES ADVISORY INSPECTORATE ON 578 1892.

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EXCO APPROVES EXPRESSWAY LEGISLATION

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THE EXECUTIVE COUNCIL HAS APPROVED THE INTRODUCTION OF NEW LEGISLATION TO ENHANCE SAFETY ON HIGH CAPACITY ROADS WHICH WILL BE DESIGNATED AS EXPRESSWAYS.

A GOVERNMENT SPOKESMAN TODAY (THURSDAY) EXPLAINED THAT NEW LEGISLATION IS NECESSARY TO ESTABLISH A HIGHER SAFETY STANDARD FOR THE USE, CONTROL AND MANAGEMENT OF THESE EXPRESSWAYS WHICH ARE DIFFERENT FROM OTHER ROADS IN TERMS OF THEIR OPERATIONAL CHARACTERISTICS AND DESIGN STANDARDS.

SOME EXAMPLES ARE TUEN MUN ROAD, THE ISLAND EASTERN CORRIDOR AND TOLO HIGHWAY.

/"THESE EXPRESSWAYS

"THESE EXPRESSWAYS HAVE BEEN CONSTRUCTED TO ALLOW RAPID MOVEMENT OF LARGE VOLUMES OF TRAFFIC BETWEEN MAJOR POPULATION CENTRES," THE SPOKESMAN SAID.

"ACCIDENTS ON THEM TEND TO BE MORE SERIOUS AND ANY DISRUPTION TO TRAFFIC COULD LEAD TO FURTHER INCIDENTS AND SERIOUS CONGESTION."

NEW DRIVING RULES FOR EXPRESSWAYS WILL BE INTRODUCED IN ORDER TO OPTIMISE TRAFFIC FLOW WHILE ENHANCING SAFETY.

STRINGENT CONTROLS OVER EXPRESSWAY WORKS, PEDESTRIAN MOVEMENTS, VEHICLE INGRESS AND EGRESS, AND OTHER TRAFFIC MOVEMENTS WILL ALSO BE IMPOSED TO ENSURE THE SAFE OPERATION OF EXPRESSWAYS.

THE SPOKESMAN SAID THE NEW LEGISLATION IS EXPECTED TO BE INTRODUCED INTO THE LEGISLATIVE COUNCIL ON JUNE 5 AND IT IS INTENDED THAT THE NEW LEGISLATION WOULD COME INTO EFFECT ON OCTOBER 1 THIS YEAR.

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DEADLINES SET FOR WALLED CITY CLEARANCE

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DEADLINES HAVE BEEN SET FOR THE CLEARANCE OF RESIDENTS FROM THE KOWLOON WALLED CITY, THE DEPUTY SECRETARY FOR HOME AFFAIRS (SPECIAL DUTIES), MR PHILIP CHOK, TOLD THE KOWLOON CITY DISTRICT BOARD TODAY (THURSDAY).

RESIDENTS FROM PHASE I WILL BE GIVEN UP TO NOVEMBER THIS YEAR TO LEAVE THE WALLED CITY WHILE THOSE FROM PHASES IIA, IIB AND III WILL HAVE TO LEAVE BY MARCH 1992, APRIL 1992 AND JUNE 1992 RESPECTIVELY.

BRIEFING THE DB MEMBERS ON THE PROGRESS OF THE CLEARANCE OF THE WALLED CITY, MR CHOK SAID THE DEADLINES SHOULD PROVIDE SUFFICIENT TIME FOR THOSE RESIDENTS FROM EACH OF THE FOUR PHASES WHO PURCHASED HOME OWNERSHIP SCHEME (HOS) UNITS IN 1990 TO DECORATE AND MOVE INTO THEIR NEW HOMES.

THE HOUSING DEPARTMENT WOULD ALSO MAKE ARRANGEMENTS TO ENSURE THAT RESIDENTS WHO HAD OPTED FOR PUBLIC RENTAL HOUSING WOULD BE ALLOCATED UNITS BEFORE THE DEADLINES, HE SAID.

"SUBJECT TO THE CURRENTLY ANTICIPATED COMPLETION DATES FOR HOS BEING ACHIEVED, THESE DEADLINES WILL BE ADHERED TO," MR CHOK ADDED.

"IT IS IMPORTANT THAT THOSE ELIGIBLE CLEARREES WHO HAVE YET TO ACCEPT THE COMPENSATION AND REHOUSING OFFERS REALISE THAT TIME IS RUNNING OUT AND MAKE AN EARNEST ATTEMPT TO REACH SETTLEMENT WITH THE SPECIAL DUTIES OFFICE.

"THE OFFICE IS PREPARED TO EXAMINE THE SPECIAL CIRCUMSTANCES OF INDIVIDUAL CASES, AND WHERE APPROPRIATE, TO ADOPT A FLEXIBLE APPROACH IN RESOLVING THE OUTSTANDING COMPENSATION CASES," HE SAID.

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HE STRESSED THAT RESIDENTS FROM EACH PHASE REMAINING IN THE WALLED CITY AFTER THE DEADLINE WOULD BE EVICTED BY THE GOVERNMENT.

AS AT EARLY THIS MONTH, ABOUT 98 PER CENT OF REHOUSING OFFERS AND 95 PER CENT OF COMPENSATION OFFERS MADE BY THE SPECIAL DUTIES OFFICE HAVE BEEN ACCEPTED BY THE WALLED CITY CLEAREES AND OVER \$2 BILLION HAVE BEEN PAID OUT IN COMPENSATION.

SOME 6,200 FAMILIES, OR 66 PER CENT OF THE ELIGIBLE POPULATION IN THE AREA, HAVE MOVED OUT.

BETWEEN NOW AND THE EXPIRY OF THE DEADLINES, THE GOVERNMENT PLANS TO TAKE A SERIES OF ACTIONS AGAINST WALLED CITY RESIDENTS FROM THE EARLY PHASES WHO HAVE RECEIVED COMPENSATION FOR THEIR PROPERTIES AND APPROPRIATE REHOUSING ARRANGEMENTS FROM THE GOVERNMENT BUT ARE STILL HOLDING ONTO THEIR WALLED CITY PREMISES.

LETTERS HAVE RECENTLY BEEN ISSUED TO SIX SUCH RESIDENTS GIVING THEM UP TO END OF THIS MONTH TO DELIVER POSSESSION OF THEIR WALLED CITY PREMISES.

"SHOULD THEY FAIL TO DO SO, THE GOVERNMENT INTENDS TO TAKE POSSESSION OF THE PREMISES WITHOUT FURTHER RECOURSE TO THE RESIDENTS," MR CHOK SAID.

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RURAL IMPROVEMENT PROGRAMMES IN FULL SWING

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RURAL LEADERS AND DISTRICT BOARD REPRESENTATIVES OF THE NORTH EAST NEW TERRITORIES REGION WERE TODAY (THURSDAY) INVITED TO A SITE VISIT TO UPDATE THEMSELVES ON THE VARIOUS IMPROVEMENT WORKS IN THE REGION BROUGHT ABOUT BY THE RURAL PLANNING AND IMPROVEMENT STRATEGY (RPIS).

ORGANISED BY THE TERRITORY DEVELOPMENT DEPARTMENT (TDD), THE VISIT WAS AIMED AT SHOWING THE LOCAL LEADERS THE GOVERNMENT'S COMMITMENTS TO THE INFRASTRUCTURE DEVELOPMENT AND ENVIRONMENTAL IMPROVEMENT OF THE RURAL NEW TERRITORIES AMIDST THE MAJOR DEVELOPMENTS TAKING PLACE IN THE NEW TOWNS.

DURING THE VISIT, THE VISITORS TOURED FIVE SITES IN TAI PO, SHA TIN AND NORTH DISTRICT WHERE THEY EXCHANGED VIEWS WITH GOVERNMENT OFFICIALS ON THE IMPLEMENTATION OF THE VARIOUS RPIS PROJECTS WHICH ARE EITHER NEAR COMPLETION OR UNDER DESIGN STAGE.

THESE PROJECTS INCLUDE THE EXTENSION OF A VAN TRACK BETWEEN TSZ TONG TSUEN AND TUNG KOK WAI IN FANLING, A BRIDGE RECONSTRUCTION AT NAM WAH PO, TAI PO AND A FLOOD PROTECTION CHANNEL AT TAI HANG, TAI PO.

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IN SHA TIN, THE VISITORS WERE BRIEFED ON THE SERVICING AND MINOR FORMATION WORKS IN CONNECTION WITH THE VILLAGE EXTENSION PROJECTS FOR KAK TIN TSUEN AND TAI SHUI HANG.

THEY ALSO LEARNT THAT UNDER THE RPIS, MORE PROGRAMMES ARE IN THE PIPELINE WITH MANY MORE PROJECTS TO BE INITIATED FOR VILLAGE IMPROVEMENTS AND DEVELOPMENT; PROVISION OF SEWERS AND SEWAGE TREATMENT PLANTS; AND IMPROVEMENT, RECONSTRUCTION AND EXTENSION OF VILLAGE ACCESS ROADS.

THE RPIS WAS ENDORSED BY THE EXECUTIVE COUNCIL IN 1989 WITH THE AIM OF IMPROVING THE QUALITY OF LIFE IN THE RURAL NEW TERRITORIES THROUGH INVESTMENT IN INFRASTRUCTURES, BETTER PLANNING AND BETTER LAND MANAGEMENT.

CO-ORDINATED BY TDD, ITS PLANNING AND IMPLEMENTATION INVOLVES OTHER GOVERNMENT DEPARTMENTS SUCH AS THE CITY AND NEW TERRITORIES ADMINISTRATION, AND THE HIGHWAYS, DRAINAGE SERVICES, BUILDINGS AND LANDS, AGRICULTURE AND FISHERIES, ENVIRONMENTAL PROTECTION AND PLANNING DEPARTMENTS.

THE EXPENDITURE FOR THE WORK PROGRAMMES OF THE STRATEGY OVER THE NEXT FIVE YEARS IS ESTIMATED AT ABOUT \$2 BILLION.

TODAY'S VISIT WAS CONDUCTED BY THE DIRECTOR OF TERRITORY DEVELOPMENT, DR NIP KAM-FAN.

ALSO INVITED TO THE VISIT WERE REPRESENTATIVES OF RELEVANT RURAL COMMITTEES AND THE RURAL DEVELOPMENT STEERING COMMITTEE AS WELL AS MEMBERS OF THE HEUNG YEE KUK, MR TAI CHIN-WAH, MR PANG HANG-YIN AND MR HEUNG CHEUK-KEI.

THE STEERING COMMITTEE IS A BODY SET UP TO OVERSEE AND CO-ORDINATE RURAL DEVELOPMENT PROGRAMMES.

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OC AND MAC MEMBERS URGED TO JOIN SEMINAR

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A CITY AND NEW TERRITORIES ADMINISTRATION (CNTA) SPOKESMAN TODAY (THURSDAY) CALLED ON OWNERS CORPORATION (OC) AND MUTUAL AID COMMITTEE (MAC) MEMBERS TO TAKE PART IN A SEMINAR ON BUILDING MANAGEMENT TO BE HELD AT THE HONG KONG CONVENTION AND EXHIBITION CENTRE ON JUNE 8.

MEMBERS OF THE PUBLIC WHO ARE INTERESTED IN BUILDING MANAGEMENT ARE ALSO URGED TO ATTEND.

THE HALF-DAY SEMINAR IS ORGANISED BY THE CNTA TO ENHANCE OC AND MAC MEMBERS' KNOWLEDGE IN GOOD PRIVATE BUILDING MANAGEMENT AND TO HELP THEM IMPROVE THE MANAGEMENT AND LIVING ENVIRONMENT OF THEIR BUILDINGS.

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BUILDING MANAGEMENT PROFESSIONALS, A LEGAL PRACTITIONER, A PROPERTY MANAGEMENT DIRECTOR, A SENIOR GOVERNMENT STRUCTURAL ENGINEER, AN INSURANCE COMPANY DIRECTOR AND AN OC CHAIRMAN WILL GIVE TALKS ON THEIR RESPECTIVE SUBJECT AREAS.

THE TOPICS TO BE COVERED INCLUDE DEED OF MUTUAL COVENANT, MAINTENANCE AND REPAIRS OF BUILDINGS, COMMUNAL ELECTRICAL FITTINGS, ELECTRICITY SUPPLY, UNAUTHORISED BUILDING WORKS AND INSURANCE OF BUILDINGS.

"PARTICIPANTS WILL BE ABLE TO GET PROFESSIONAL ADVICE ON VARIOUS ASPECTS OF GOOD BUILDING MANAGEMENT AND EXCHANGE WITH RELEVANT PROFESSIONALS VIEWS AND EXPERIENCE IN OPEN DISCUSSIONS," THE SPOKESMAN SAID.

ADMISSION TO THE SEMINAR IS FREE. APPLICATION FORMS ARE NOW AVAILABLE AT ALL DISTRICT OFFICES.

COMPLETED FORMS SHOULD BE RETURNED TO THE BUILDING MANAGEMENT DIVISION, HONG KONG AND KOWLOON REGION, CITY AND NEW TERRITORIES ADMINISTRATION, 29TH FLOOR, SOUTHOEN CENTRE, 130 HENNESSY ROAD, WAN CHAI, BEFORE NEXT MONDAY (MAY 20).

ENQUIRIES CAN BE MADE ON TEL. 835 1496 OR 835 1497.

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PREQUALIFICATION FOR MARINE REFUSE SCAVENGING AND COLLECTION

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THE MARINE DEPARTMENT REMINDED PROSPECTIVE APPLICANTS THAT ENTRIES FOR PREQUALIFICATION FOR A CONTRACT FOR PROVIDING REFUSE SCAVENGING AND COLLECTION SERVICES FOR HONG KONG WATERS WOULD CLOSE AT NOON ON NEXT FRIDAY (MAY 24).

THE PRINCIPAL MARINE OFFICER (TERMINALS AND PORT SERVICES) OF THE MARINE DEPARTMENT, MR JOHN LAMBOURN, TODAY (THURSDAY) SAID: "APPLICANTS WHO ARE SHORTLISTED WILL BE INVITED TO TENDER FOR A SINGLE CONTRACT FOR THE REFUSE SCAVENGING AND COLLECTION SERVICES.

"THE CONTRACT SHALL BE FOR A PERIOD OF THREE YEARS WITH AN OPTION FOR THE GOVERNMENT TO EXTEND FOR A FURTHER PERIOD OF UP TO THREE YEARS.

"IT IS INTENDED THAT THE CONTRACT WILL BEGIN ON OCTOBER 1 THIS YEAR OR ON A DATE WITHIN SIX MONTHS AFTER OCTOBER 1 AS THE GOVERNMENT SHALL SPECIFY."

IN 1990, 17,250 CUBIC METRES OF FLOATING REFUSE WERE COLLECTED FROM HONG KONG WATERS WHILE 2,673 CUBIC METRES OF OTHER WASTE WERE COLLECTED FROM SHIPS MOORED IN THE HARBOUR.

APPLICANTS FOR PREQUALIFICATION SHOULD HAVE AND PROVIDE PROOF OF EXPERIENCE IN MANAGEMENT AND OPERATION OF WASTE COLLECTION SERVICES, OR ALTERNATIVELY CAPABILITY TO PROVIDE THE EXPERTISE AND RESOURCES.

THEY SHOULD SUBMIT SUFFICIENT AND RELEVANT MANAGEMENT, OPERATIONAL AND OTHER INFORMATION AS STIPULATED IN THE PREQUALIFICATION DOCUMENT TO ENABLE ASSESSMENT TO BE MADE ON THEIR SUITABILITY OF BEING QUALIFIED TO TENDER.

MR LAMBOURN SAID COPIES OF THE PREQUALIFICATION DOCUMENT COULD BE OBTAINED FROM THE MARINE DEPARTMENT, 21ST FLOOR, HARBOUR BUILDING, 38 PIER ROAD, CENTRAL.

ENQUIRIES CAN BE DIRECTED TO MR YEUNG CHUNG-KWONG OF THE MARINE DEPARTMENT ON TEL. 852 4450.

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TUNG WAH GROUP OF HOSPITALS PRAISED

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THE DIRECTOR OF SOCIAL WELFARE, MR M.D. CARTLAND, THIS (THURSDAY) MORNING COMMENDED THE TUNG WAH GROUP OF HOSPITALS FOR ITS CONTINUOUS EFFORTS IN SERVING THE COMMUNITY WHEN MEETING ITS NEW BOARD OF DIRECTORS.

MEMBERS OF THE BOARD OF DIRECTORS, LED BY THE CHAIRMAN, MR TSUI TSIN-TONG, PAID A COURTESY CALL TO MR CARTLAND TO DISCUSS THE GROUP'S MAJOR SOCIAL WELFARE SERVICE DEVELOPMENT IN THE CURRENT YEAR.

IN THE MEETING, MR CARTLAND ASSURED BOARD MEMBERS THAT THE DEPARTMENT WOULD CONTINUE TO WORK CLOSELY WITH THEM TO IMPROVE AND EXPAND WELFARE SERVICES FOR THE COMMUNITY.

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UNAUTHORISED BUILDINGS TO BE CLOSED

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THE BUILDING AUTHORITY IS SEEKING TO CLOSE THE UNAUTHORISED BUILDINGS AT THE REAR OF MAN ON BUILDING, 79-85A TAI PO ROAD, SHAM SHUI PO, SO THAT THEY CAN BE DEMOLISHED WITHOUT DANGER TO THE OCCUPIERS AND THE PUBLIC.

NOTICE OF INTENTION TO APPLY FOR A CLOSURE ORDER UNDER THE BUILDINGS ORDINANCE FROM THE HONG KONG DISTRICT COURT ON AUGUST 15 WAS POSTED ON THE PREMISES TODAY (THURSDAY).

IT IS EXPECTED THAT DEMOLITION WORKS WILL START AS SOON AS THE CLOSURE ORDER IS ISSUED.

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