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## DAILY INFORMATION BULLETIN

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GARDEN ROAD, 5th-8th FLOORS, MURRAY BUILDING,  
HONG KONG. TEL.: 2842 8777

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Transcript of CS's media session

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Following is the transcript (English) of the question-and-answer session given by the Chief Secretary, Mrs Anson Chan, after presenting the 1996 Progress Report today (Monday):

Question: Mrs Chan, where are the delays and why are the delays?

CS: I said earlier on that the delays are many and varied; it's very difficult to give one answer. Sometimes for example the delay involves delay in actual construction works because of delay on the part of contractors. Sometimes frequently it is a question of a longer process being required to resume the land and to remove the structures on the land. Then in the case for example of services for the elderly part of the difficulty has been trying to find suitable accommodation in private premises to accommodate for example multi-service centres for the elderly. But in the case of multi-service centres for the elderly there are very strict safety requirements to ensure the interest of the consumers and therefore we have to make sure that the properties that we buy can meet these very exacting safety standards. But we are also pleased that since we embarked on this programme of purchasing private property for welfare services in 1995 we've actually made very very good progress and we've now met over 70 per cent of our targets so we will continue to make good progress in this area.

Question: (inaudible)

CS: We are making good progress in discussing the remaining transitional issues with the Chinese side. I think it is both sides' wish that these issues should be resolved before 1 July 1997. So I am reasonably confident that we will make good progress. I think I can assure you that both sides will spare no effort to achieve this progress.

End

CS launches 1996 Progress Report

\* \* \* \* \*

The Government has completed on target 646 out of 692 policy commitments made between 1992 and 1995, representing a success rate of 93 per cent.

Announcing this during the launch of the 1996 Progress Report today (Monday), the Chief Secretary said: "I think 93 per cent success rate indicates that the civil service has been performing extremely well during this difficult transitional period.

"We will keep up our spirits and pledge to continue to provide an effective administration well beyond 1997."

Forty-six commitment, or seven per cent of the total, are behind schedule.

"The precise reasons for each individual slippage are given in the Progress Report. We are making every effort to complete these undertakings as soon as possible," Mrs Chan said.

She pointed out that Hong Kong was one of the very few governments in the world which adopted a system of annually publishing detailed policy commitments and a progress report to cover every aspect of the administration's activities.

Launching of the Progress Report is the first part of the annual exercise to make sure that the Government is genuinely accountable to the people of Hong Kong.

"It is a valuable tool in our commitment to serving the community," said Mrs Chan.

"It is very much to the credit of the civil service that it has accepted the need for this annual exercise in accountability."

The Governor, the Rt Hon Christopher Patten, will present his fifth Policy Address on Wednesday (October 2). The 1996 Policy Commitments outlining the principal proposals from each Policy Branch will also be published.

End

#### Monetary statistics for August

\* \* \* \* \*

The total deposits rose while the total loans and advances declined slightly in August 1996, according to statistics published today (Monday) by the Hong Kong Monetary Authority (HKMA).

Table 1 summarises figures for August and comparisons with earlier months.

#### Deposits

Hong Kong dollar deposits grew by 1.2% in August while foreign currency deposits dropped by 0.8%. As a result, total deposits increased by 0.3%, following a rise of 0.8% in July.

Within HK dollar deposits, savings and time deposits both rose, outweighing the decline in demand deposits. During the month, HK dollar savings deposits rebounded by 2.6%, having contracted by 0.8% in July, while time deposits rose further by 1.4%, after an increase of 1.5% in the preceding month.

On the other hand, HK dollar demand deposits fell sharply by 4.6%, having risen by a cumulative 6.8% during June and July.

The decline in foreign currency deposits was due entirely to a 2.2% fall in non-US dollar foreign currency deposits, while US dollar deposits were up by 0.6%.

#### Loans and advances

Total loans and advances edged lower by 0.3% in August, following an increase of 2.2% in July. The fall reflects a decline in offshore lending and a more moderate growth in domestic credit.

During the month, loans for use outside Hong Kong dropped by 0.8%, as the outstanding value of yen loans was eroded by the depreciation of the yen.

Loans for trade financing fell further by 1.9%, after a 0.5% decline in the preceding month, consistent with the slow growth in external trade. Other domestic loans increased by only 0.6%, partly attributable to the slow-down in the growth of mortgage loans in August, which was in line with the relatively quiet property market during the month.

Analysed by currency, HK dollar loans increased by 0.3% during the month while foreign currency loans fell by 0.6%. As HK dollar loans declined while HK dollar deposits rose, the HK dollar loan-to-deposit ratio fell to 107.6% at end-August, from 108.6% at end-July.

#### Money supply

HK\$M1 dropped by 2.5%, as the decline in HK dollar demand deposits outweighed the rise of 0.6% in currency held by the public. On the other hand, HK\$M2 and HK\$M3 both increased by 1.2% during the month, after rising by 1% and 0.9% respectively in July.

The growth in HK\$M3 of 12.7% during the year to August continued to be broadly in line with recent domestic credit expansion and nominal GDP growth.

TABLE 1 : MONETARY STATISTICS - AUG 1996

	(HK\$mn)			
	Aug 1996	Earlier months (% change to Aug 1996)		
		Jul 1996	May 1996	Aug 1995
<b>Money Supply</b>				
M1 - HK\$	176,382	180,880 ( -2.5 )	173,538 ( 1.6 )	188,500 ( -6.4 )
Foreign currency	19,673	20,416 ( -3.6 )	18,460 ( 6.6 )	18,836 ( 4.4 )
Total	196,054	201,295 ( -2.6 )	191,998 ( 2.1 )	207,336 ( -5.4 )
M2 - HK\$@	1,380,633	1,363,775 ( 1.2 )	1,317,528 ( 4.8 )	1,221,612 ( 13.0 )
Foreign currency*	1,003,409	1,011,863 ( -0.8 )	1,009,682 ( -0.6 )	978,121 ( 2.6 )
Total	2,384,042	2,375,638 ( 0.4 )	2,327,210 ( 2.4 )	2,199,732 ( 8.4 )
M3 - HK\$@	1,396,382	1,379,445 ( 1.2 )	1,333,917 ( 4.7 )	1,238,854 ( 12.7 )
Foreign currency*	1,069,550	1,076,551 ( -0.7 )	1,073,335 ( -0.4 )	1,040,088 ( 2.8 )
Total	2,465,932	2,455,995 ( 0.4 )	2,407,252 ( 2.4 )	2,278,942 ( 8.2 )
Notes and coins in circulation	83,174	82,051 ( 1.4 )	82,304 ( 1.1 )	78,355 ( 6.2 )
of which held by public	73,796	73,373 ( 0.6 )	72,860 ( 1.3 )	69,360 ( 6.4 )
<b>Total Deposits</b>				
Total Demand deposits	122,259	127,922 ( -4.4 )	119,138 ( 2.6 )	137,976 ( -11.4 )
Total Savings deposits	473,487	466,681 ( 1.5 )	455,088 ( 4.0 )	411,559 ( 15.0 )
Total Time deposits	1,723,086	1,717,528 ( 0.3 )	1,690,070 ( 2.0 )	1,596,638 ( 7.9 )
With licensed banks	1,662,220	1,657,560 ( 0.3 )	1,630,462 ( 1.9 )	1,539,344 ( 8.0 )
With restricted licence banks	44,889	43,982 ( 2.1 )	43,481 ( 3.2 )	38,468 ( 16.7 )
With deposit-taking companies	15,978	15,986 ( -0.1 )	16,127 ( -0.9 )	18,825 ( -15.1 )
HK\$ deposits@	1,280,034	1,264,445 ( 1.2 )	1,220,336 ( 4.9 )	1,136,266 ( 12.7 )
Demand deposits	102,586	107,507 ( -4.6 )	100,678 ( 1.9 )	119,139 ( -13.9 )
Savings deposits	332,951	324,509 ( 2.6 )	318,498 ( 4.5 )	282,669 ( 17.8 )
Time deposits@	844,497	832,429 ( 1.4 )	801,160 ( 5.4 )	734,457 ( 15.0 )
US\$ deposits*	515,070	512,087 ( 0.6 )	512,213 ( 0.6 )	511,735 ( 0.7 )
Other foreign currency deposits*	523,728	535,599 ( -2.2 )	531,747 ( -1.5 )	498,173 ( 5.1 )
Foreign currency deposits*	1,038,798	1,047,686 ( -0.8 )	1,043,960 ( -0.5 )	1,009,908 ( 2.9 )
All deposits	2,318,832	2,312,131 ( 0.3 )	2,264,297 ( 2.4 )	2,146,173 ( 8.0 )
Foreign currency swap deposits	40,048	41,283 ( -3.0 )	43,183 ( -7.3 )	57,716 ( -30.6 )
<b>Total Loans and advances</b>				
Loans for use in H.K.	1,738,369	1,733,409 ( 0.3 )	1,687,185 ( 3.0 )	1,540,514 ( 12.8 )
To finance H.K.'s visible trade	165,056	168,465 ( -2.0 )	166,836 ( -1.1 )	157,147 ( 5.0 )
To finance merchandising trade not touching H.K.	20,566	20,790 ( -1.1 )	20,281 ( 1.4 )	18,889 ( 8.9 )
Other loans for use in H.K.	1,552,747	1,544,154 ( 0.6 )	1,500,069 ( 3.5 )	1,364,477 ( 13.8 )
Loans for use outside H.K.#	2,117,759	2,133,820 ( -0.8 )	2,077,370 ( 1.9 )	2,163,219 ( -2.1 )
Other loans for use outside H.K.	2,077,307	2,093,009 ( -0.8 )	2,037,195 ( 2.0 )	2,124,128 ( -2.2 )
Other loans where the place of use is not known	40,451	40,811 ( -0.9 )	40,176 ( 0.7 )	39,090 ( 3.5 )
Loans in HK\$	1,377,570	1,373,165 ( 0.3 )	1,337,965 ( 3.0 )	1,212,037 ( 13.7 )
Loans in foreign currencies	2,478,558	2,494,063 ( -0.6 )	2,426,591 ( 2.1 )	2,491,695 ( -0.5 )
Total loans and advances	3,856,128	3,867,228 ( -0.3 )	3,764,556 ( 2.4 )	3,703,732 ( 4.1 )

\* Adjusted to exclude foreign currency swap deposits.  
 @ Adjusted to include foreign currency swap deposits.  
 # Including those where place of usage is unknown.

Note : Data may not add up to total due to rounding.

End

PCS licences awarded to six bidders

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The Telecommunications Authority (TA), Mr Alexander Arena, today (Monday) announced the award of PCS licences to the six successful bidders.

"The award of the PCS licences is a milestone development for mobile communications in Hong Kong," he said.

"It will enhance the development of an even more competitive mobile industry which will certainly bring greater benefits to consumers."

In response to TA's offer of licence on August 30, the six successful applicants - Hutchison Telephone Company Limited, Mandarin Communications Limited, New World PCS limited, P Plus Communications Limited, Pacific Link Communications Limited, and Peoples Telephone Company Limited - have all confirmed their acceptance of the offer before the deadline of September 27.

The six licensees have committed themselves to providing high-quality services to their customers. With the award of the licences, they are committed to provide service in accordance with the licence conditions.

"I look forward to seeing their early launch of service," said Mr Arena.

Copies of the six PCS licenses, including the special licence conditions and the relevant details in the performance bonds lodged for compliance with the commitments in the licences, will be made available for public inspection in the library of the Office of the Telecommunications Authority (OFTA) from Tuesday (October 1).

They will also be placed in OFTA's Internet homepage <http://www.ofa.gov.hk> and Bulletin Board Service, Tel 2834 0119 on the same date.

End

### Microchips for dogs and fees for dog licences

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Dogs will have to be implanted with a microchip and fees will be charged for dog licences if proposals gazetted by the Government last Friday (September 27) are enacted.

The Rabies (Amendment) Regulation 1996 proposes that all dogs over the age of five months should be implanted with a microchip identifying the dog with a unique number, when it is first licensed or its licence next becomes due for renewal.

A spokesman for the Economic Services Branch said: "It is important for rabies control and public safety to reduce the number of abandoned and stray dogs. The microchip licensing system will allow dog keepers to be easily identified and made responsible for their animals."

A spokesman for the Agriculture and Fisheries Department said microchip implantation was a good licensing system because it was accurate, permanent, tamper-proof. It is quick to administer and causes only mild discomfort at the time of implantation.

"The microchip will be implanted beneath the loose skin on the back of the dog's neck. It is encoded with a number which can be read by a special scanner and fed into a computer to retrieve information stored at the time of vaccination and licensing, details of the dog's rabies vaccination history and the keeper's name and address," the spokesman said.

The proposed regulation requires the keeper of a dog that has been vaccinated against rabies to ensure that the dog is microchipped. Failure to do so will constitute an offence and render the keeper liable to a fine of \$10,000.

The proposed regulation also introduces fees for dog licences, which are currently issued free of charge.

"Licences have been issued free in the past as an incentive to the public to comply with rabies control requirements. Rabies vaccine has also been issued free of charge to persons authorised to vaccinate dogs against rabies," the spokesman said.

"The rabies vaccination rate for dogs in Hong Kong is now about 78 per cent, exceeding the World Health Organisation's recommended minimum of 70 per cent. There is no longer any need for taxpayers to continue subsidising dog owners in respect of vaccination and licensing."

The proposed fees will initially recover half of the costs of providing the licensing services, rabies vaccination and supplying and implanting the microchip. Full costs will be recovered through the fees in three years' time.

The licence fee will be \$70 for a dog vaccinated against rabies by an authorised government officer and \$40 for a dog vaccinated against rabies by any other authorised person such as a veterinary practitioner. The latter fee is lower as the costs to be recovered by the Government are lower and the authorised person will charge an additional professional fee.

The proposed regulation also requires the keeper of a licensed dog to report any change of ownership or in his address to the Director of Agriculture and Fisheries in writing within five days. Failure to report these changes within five days will constitute an offence and render the keeper liable to a fine of \$5,000.

It is necessary to ensure that the licensing information system is kept up-to-date. Standard forms will be available from the Agriculture and Fisheries Department for reporting this information.

End

#### Schools urged to observe safety precautions

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Schools are urged to observe safety precautions when organising excursions, picnics and field works for their pupils.

"The Education Department and the Royal Hong Kong Police Force have designed a simple reporting procedure which should be helpful to ensure the safety of the pupils," Principal Education Officer, Mr Tam Chun-kit, said today (Monday).

"School heads are urged in their own interests to follow the procedure whenever outdoor students activities are organised."

They should send a fax to the Divisional Commander with details of outing at least 10 days notice and notify him if any changes are made later, he said.

On the day of outing, they should inform the appropriate Divisional Commander whether the outing will proceed as planned, postponed or cancelled as early as possible.

They should report back upon completion of the activities.

In case of mass outing, schools should seek the advise of the Agriculture and Fisheries Department whether the destination is suitable for mass gathering on that particular day.

Participants are advised to carry their identity cards, junior identity cards or some form of identity.

"While knowledge of such trips by the Police is an important safety precaution, the primary responsibility for the safety of pupils should be rest on the schools themselves," Mr Tam said.

They must provide competent leaders, brief the pupils involved properly and take all safety precautions in organising outings, he said.

Pupils should be divided into groups and each group must be under the care of a supervising teacher who ensures, by periodic head counts, that all are present.

In the event of any emergency arising, the leader or any participants should call 999 direct to request rescue service immediately.

Teachers leading an outing are also advised to carry with them life-saving tools such as whistles, electric torches, first-aid kits, mobile phone and pager, said Mr Tam, reminding teachers to follow the guidelines on outdoor activities issued by the department.

End

#### New era in marine conservation begins

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The designation of the first batch of marine parks and marine reserve will bring Hong Kong into a new era of marine conservation, said the Secretary for Planning, Environment and Lands, Mr Bowen Leung, this (Monday) morning.

Speaking at the official opening ceremony at Cape D'Aguiar Marine Reserve, Mr Leung said the formal establishment of two marine parks and one marine reserve marked the beginning of Hong Kong's achievements in the conservation of the marine environment.

He said the process in achieving the target had not been easy or smooth when marine parks and reserves were still a very new concept to Hong Kong in early 1990s.

"To achieve our target, we had to balance various conflicting interests, cultivate support from different sectors of the community, undertake considerable surveys and studies, seek legislative approval, and obtain necessary financial and human resources," he said.

Mr Leung cited various examples at the designated marine parks at Hoi Ha Wan and Yan Chau Tong and the marine reserve at Cape D'Aguiar to show their research and educational potential.

"About a dozen animal species new to science have been discovered in these marine parks and marine reserve in the past decades," he said.

Cape D'Aguiar Marine Reserve is a place full of special marine creature. There is a coral rock pool where 12 species of corals can be found in a tiny area and one of them is indigenous to the area.

Meanwhile, the rarer species of marine eel grass can still claim their stand at Yan Chau Tong Marine Park.

"Further research to obtain more valuable baseline information of Hong Kong's coastal ecological systems will be carried out to provide us with a better understanding of our coastal environment," said Mr Leung.

He stressed that the establishment of this first batch of marine parks and marine reserve was only an initial step in conserving our marine environment and enhancing our resources.

"We shall continue with efforts to designate the Sha Chau and Lung Kwu Chau Marine Park in the near future, and conduct detailed studies of other, further, potential sites," he said.

Also speaking at the ceremony, Director of Agriculture and Fisheries, Dr Lawrence Lee, said the concept to setting up marine parks and marine reserves in Hong Kong was dated back to the late '80s.

He said: "In 1991, Cape D'Aguiar, together with Hoi Ha Wan and Yan Chau Tong have been identified by the Marine Parks and Reserves Working Group as suitable sites for designation."

He noted that the Marine Parks Ordinance enacted in 1995 offered the government the mechanism to designated these areas.

"The designation of the first batch of marine parks and marine reserve is our pledge of dedication in conserving the marine environment," he said.

Also present at this morning's ceremony were the Vice Chancellor of the University of Hong Kong (HKU), Professor Y C Cheng; Director of HKU's Swire Institute of Marine Science, Professor Brian Morton; and Chairman of the Country and Marine Parks Board, Professor Jim Chi-yung.

End

#### EMSD's forty years of proven track record

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The Electrical and Mechanical Services Department (EMSD), with over 40 years of proven track record, is the only local quality service provider equipped with the necessary expertise and capability to handle all kinds of engineering facilities at a modern international airport.

This was stated by the Director of EMSD, Mr Hugh Phillipson, when he briefed media representatives on the department's services at the Kai Tak Airport today (Monday).

"We will do whatever it takes to enable our clients to deliver the highest possible level of quality service to air travellers at all times and we look forward to doing the same for our new airport at Chek Lap Kok," he said.

Mr Phillipson said the department had already planned to relocate services over to Chek Lap Kok.

"We have already secured a lot of business from our existing clients to service their facilities in the new airport.

"A maintenance depot with over 50 multi-disciplined staff members will be established on Lantau Island for the operation and maintenance of all government facilities in Chek Lap Kok, including air traffic control centre, air mail centre, Government Flying Service headquarters, police airport station and other navigation stations off Chek Lap Kok.

"We have established a team for the Tsing Ma Control Area taking care of the sophisticated traffic control equipment for the various bridges," he said.

Mr Phillipson said EMSD was providing engineering services for the Hong Kong International Airport on a 24-hour basis.

"We service all kinds of engineering facilities which include airfield lighting which ensures safe landing of aeroplanes, baggage handling system which transports all kinds of passenger luggage and the aerobridges which ensure a safe, comfortable and efficient access for passengers boarding and leaving the aeroplanes" he said.

The department is also responsible for ensuring a "no-break" power supply to the airport, said Mr Phillipson, adding that the power supply system there is 'double-insured'.

"Firstly, the power distribution system can draw electricity supply from two separate sub-stations. Thus, failure in any one of them will not affect the airport operation.

"Secondly, the airport is equipped with no-break power supply system which guarantees uninterrupted power supply for essential facilities such as air traffic control equipment and lighting system at all time.

"Our energy efficiency management programme also helps to save about \$15 million public funds per annum," Mr Phillipson said.

End

#### Royal Marines rent out services for charities

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Cooking, cleaning and ironing... no domestic task was too small for the Royal Marines, from HMS Tamar, when they recently rented out their services to members of the public and raised over \$15,000 for two local charities.

In tackling a variety of household jobs during their "rent-a-royal" charitable drive, the 10-man detachment were also tasked with moving a piano up three flights of stairs to a flat in Yuen Long while one lucky Marine flirted briefly with the world of fashion when he became a photo model for the day.

After four months in Hong Kong the Royal Marines are due to leave the territory tomorrow (Tuesday) evening. Before departing for their base with 45 Commando, in Arbroath, Scotland, they will be handing over the money to the Hong Kong Save the Children Fund and the Baby Joshua Appeal.

Attending the presentation at the Prince of Wales Barracks will be Chief of Staff and Senior Royal Naval Officer, Commodore Peter Melson, along with Irene Lo, from the Save the Children Fund, and two-and-a-half-year old Joshua Wong, who will be accompanied by his mother Sandy.

End

#### Firing practice in October

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Firing practice will take place at the Ha Tsuen/Castle Peak Range on seven days next month. The public is advised not to enter the area when red flags are hoisted.

Following are the dates and times for the firing practice:

<u>Date</u>	<u>Time</u>
October 7 (Monday)	8.30 am - 5 pm
October 8 (Tuesday)	8.30 am - 5 pm
October 10 (Thursday)	8.30 am - 5 pm
October 15 (Tuesday)	8.30 am - 5 pm
October 17 (Thursday)	8.30 am - 5 pm
October 23 (Wednesday)	8.30 am - 5 pm
October 24 (Thursday)	8.30 am - 5 pm

End

#### Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 97.7 per cent of capacity or 572.637 million cubic metres.

This time last year the reservoirs contained 559.267 million cubic metres of water, representing 95.4 per cent of capacity.

End

Hong Kong Monetary Authority money market operations

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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,375	0930	-218
Closing balance in the account	2,852	1000	-218
Change attributable to:		1100	-218
Money market activity	- 208	1200	-218
LAF today	+685	1500	-208
		1600	-208

LAF rate 4.00% bid/6.00% offer TWI 124.7 \*+0.1\* 30.9.96

Hong Kong Monetary Authority

EF bills		EF notes/MTRC				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.07	2 years	2808	6.00	99.91	6.14
1 month	5.11	3 years	3907	6.80	100.92	6.54
3 months	5.19	5 years	5109	7.32	101.06	7.18
6 months	5.31	7 years	7308	7.24	99.24	7.52
12 months	5.60	5 years	M503	7.35	100.06	7.47

Total turnover of EF bills and notes - \$8,308 million

Closed September 30, 1996

End