



## DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES  
GARDEN ROAD, 5th-8th FLOORS, MURRAY BUILDING,  
HONG KONG. TEL.: 2842 8777

Tuesday, September 10, 1996

<u>Contents</u>	<u>Page No.</u>
Transcript of FS's media session .....	1
37th JLG meeting to be held in Peking .....	1
HK's monetary system to remain independent after 1997 .....	1
Beat drugs fund applications discussed .....	4
Findings of sex knowledge of secondary students released .....	5
Sharp increase in spending on rural improvement works .....	6
Announcements on school closure made on schedule: ED .....	8
EPD to commission consultant .....	9
218 VMs depart on orderly repatriation flights .....	10
Monitors' report submitted to CS .....	10
Hong Kong Monetary Authority tender results .....	11
Hong Kong Monetary Authority money market operations .....	12

Transcript of FS's media session

\*\*\*\*\*

Following is the transcript of remarks by the Financial Secretary, Mr Donald Tsang, on CT9 when questioned by the media at the doorstep of the Central Government Offices this (Tuesday) afternoon:

Question: What is the latest development of the CT9?

FS: The consortium has come to an agreement on how the various berths of the CT9 should be best utilised and we are discussing, putting this proposal to the Chinese side and we hope to bring this matter to finality at the next Joint Liaison Group meeting.

End

37th JLG meeting to be held in Peking

\*\*\*\*\*

The thirty-seventh meeting of the Sino-British Joint Liaison Group on Hong Kong will take place in Peking from September 17 to 19.

The British team will be led by the Senior Representative, Mr Hugh Davies. The other members of the British team will be the Secretary for Constitutional Affairs, Hong Kong Government, Mr Nicholas Ng; Counsellor, Office of the British Senior Representative, Sino-British Joint Liaison Group, Mr Alan Paul; and Political Adviser, Hong Kong Government, Mr Robert Peirce.

End

HK's monetary system to remain independent after 1997

\*\*\*\*\*

The Chief Executive of the Hong Kong Monetary Authority (HKMA), Mr Joseph Yam, today (Tuesday) reassured international banking and investment community of Hong Kong's monetary autonomy after 1997.

Mr Yam was speaking at a seminar - Hong Kong's Monetary Arrangements through 1997 - organised by the Bank of England in London and chaired by its Governor, Mr Eddie George.

Other speakers included Deputy Governor of the People's Bank of China (PBoC), Mr Chen Yuan; Chairman of the HSBC Holdings plc, Sir William Purves; Chairman and President of the Bank of China, Mr Wang Xuebing; and Chairman of the Standard Chartered Bank plc, Mr Patrick Gillam.

In his introductory remarks, Mr George said the seminar was unprecedented in bringing together speakers from both the central banks and the major commercial banks and that the Bank of England fully supported the plan for monetary autonomy in Hong Kong.

"Today's seminar underlined the commitment on all sides to ensuring a smooth and stable transition," Mr George said.

Noting the enthusiastic involvement and the supporting statements made by the Bank of England, the PBoC and Hong Kong's three note-issuing banks at the seminar, Mr Yam said he was thankful of the wide support HKMA was getting from the central banking fraternity and the banking community.

He was confident that with such support, Hong Kong's status as an international financial centre will go from strength to strength.

In his speech, Mr Yam referred to and dispelled six popular myths about monetary affairs in Hong Kong.

He presented facts and analyses demonstrating that there will not be any erosion of the territory's monetary autonomy after 1997 and that there has not been and it is unlikely there will be massive capital flight from Hong Kong.

Hong Kong dollar would neither disappear nor be replaced by the Renminbi and the linked exchange rate would not break, he said, adding that the territory's reserves would not be absorbed by China and there would not be any deterioration of regulatory standards.

On the issue of monetary autonomy, Mr Yam said the monetary relationship between China and Hong Kong under the concept of "one country, two systems" had now been defined as one country with two currencies, two monetary systems and two monetary authorities which were mutually independent.

"The meaning of the term 'mutually independent' is clear in both the English and Chinese languages, and so there is no scope for misunderstanding.

"Insofar as the two currencies, the two monetary systems and the two monetary authorities are concerned, one does not have precedence over the other, one is not superior to the other and one does not take instructions from the other," said Mr Yam.

These messages on monetary autonomy were reinforced by Mr Chen who revealed the seven principles governing the monetary relationship between Hong Kong and the mainland in a speech referring to China's policy on a crucial aspect of Hong Kong's future.

These seven principles are:

- \* The Hong Kong dollar will be treated as foreign currency in the mainland while the Chinese Renminbi will be treated as foreign currency in Hong Kong reflecting the mutual independence of the two currencies after 1997.
- \* HKMA and PBoC will remain two mutually independent monetary authorities after 1997 and PBoC will not take the place of HKMA or set up an office in Hong Kong.
- \* HKMA and PBoC will continue to co-operate in prudential supervision of banking institutions according to international rules and practices.
- \* PBoC will fully support the currency stability of the Hong Kong dollar and that PBoC stands ready to use its foreign reserves for this purpose if necessary.
- \* The claims and liabilities between banks and companies from the mainland and those in Hong Kong will continue to be regarded as external claims and liabilities after 1997.
- \* Mainland financial institutions in Hong Kong will not receive any preferential treatment before or after 1997.
- \* Shanghai will not replace Hong Kong as an international financial centre.

Mr Chen also predicted that Hong Kong will continue its role as the most important funding centre for China and very likely for the Asian region as a whole.

End

### Beat drugs fund applications discussed

\* \* \* \* \*

The Action Committee Against Narcotics (ACAN) had discussed the support-worthiness of the applications to the Beat Drugs Fund at its meeting today (Tuesday) and made recommendations to the Beat Drugs Fund Association, the governing body of the Fund.

A total of 44 applications, seeking about \$59.5 million, were received between April 30 to June 1 when applications for the first batch of grants of the fund were invited.

Among them, 21 asked for funding for projects on preventive education and publicity, 20 on treatment and rehabilitation and three on research.

The Chairman of ACAN, Professor C N Chen, said the enthusiastic responses to the Fund indicated a keen interest within the community to battle the drug menace.

ACAN's recommendations would shortly be considered by the Beat Drugs Fund Association. The results of the application are expected to be announced in late September or early October.

The \$350-million Beat Drugs Fund was established in April to provide funding support to worthwhile projects which can help reduce the drug abuse problem. Applications to the Fund are invited twice a year.

At today's meeting, members of ACAN also discussed the drug statistics for the second quarter of 1996 compiled by the Government's Central Registry of Drug Abuse (CRDA).

The figures indicated that the number of reported drug abusers under 21 decreased by 14.2 per cent to 1,273 in the second quarter of 1996 from 1,484 in the corresponding period of last year.

Among them, 511 were newly reported, down by five per cent from 538 recorded in the second quarter of 1995.

During the second quarter of 1996, a total of 7,150 drug abusers of all ages were reported to CRDA, representing a slight decrease of 0.6 per cent from 7,194 in the same period last year.

Of them, 1,049 were reported for the first time, showing a decrease of 2.4 per cent from 1,075. The other 6,101 were previously reported, down by 0.3 per cent from 6,119.

This quarter registered an increase in the percentage of female drug abusers.

For female of all ages, the percentage rose from 11.2 per cent (805) to 12 per cent (860). For those under 21, an increase by 2.2 percentage points was noted although the actual figure decreased from 307 to 291.

Compared on the drug abuse pattern, a slight increase was noted in the mean initial age of drug abuse from 18.1 to 18.3 and the percentage of multiple drug abusers (from 3.7 per cent to 4.7 per cent).

For those under 21, the comparison indicated that the mean initial age of drug abuse decreased slightly from 15.4 to 15.3 while the percentage of multiple drug abusers dropped from 8.5 per cent (118) to 7.8 per cent (93).

On the treatment front, a total of 4,222 persons were admitted to the three government-funded treatment programmes during the second quarter of this year. The three programmes are voluntary in-patient treatment programme, the methadone programme and the compulsory placement programme.

Of them, 1,066 or 25.2 per cent were first-time admissions. These represented an increase in total admissions by nine per cent and an increase in new admissions by 2.1 per cent.

End

#### Findings of sex knowledge of secondary students released

\* \* \* \* \*

The findings of a commissioned survey aimed at improving sex education in schools were released by the Education Department today (Tuesday).

The study on the knowledge, attitudes and behaviours of secondary school pupils relating to sex was conducted by the Chinese University of Hong Kong by means of a questionnaire and a structured interview.

Some 4,600 secondary school students aged between 12 to 20 were approached from April to July last year and the findings showed that their sex knowledge was adequate.

Among the 21 items listed in the questionnaire testing their sex knowledge, the mean percentage score of the respondents was 68.4. The study showed that they obtained the knowledge mainly from newspapers and television programmes.

It was found that a large proportion of secondary school students had a relatively healthy concept regarding conventional marriage system.

However, some of them regarded divorce was inevitable and premarital sex was acceptable while more than half of them approved the concept of cohabitation and trial marriage.

Some 60 per cent of the students were of the view sex education was necessary. They preferred guidance teachers and social workers to conduct the sessions.

Among the top five interesting topics indicated by the students, three related to self-development. The most popular ones were self-understanding, interpersonal relationship and making friends.

The study concluded that schools should continue to play an important role to facilitate healthy sexual development of the young generation.

In order to induce quality services for students, the study held that it was time to implement sexuality curricula for guidance teachers and social workers and to explore alternative instructional methods.

The Principal Inspector (Biological Science), Mr Ho Chung-nin, said the Education Department would study the findings with a view to improving sex education in schools.

End

#### Sharp increase in spending on rural improvement works

\* \* \* \* \*

To improve the environment and development in the New Territories, the Home Affairs Department (HAD) will spend a total of \$280 million on some 220 projects for the Rural Planning and Improvement Strategy (RPIS) Minor Works Programme in 1996-97, the Secretary for Home Affairs, Mr Michael Suen, said today (Tuesday).

Speaking at a luncheon meeting of the Rotary Club of The Peak, Mr Suen pointed out that the budget represented a 15-fold increase in five years over the expenditure on local public works undertaken in 1991-92.

He said HAD had introduced a two-tier administrative structure - the RPIS Minor Works Steering Committee and the nine NT district working groups - to enhance local participation in the formulation of the programme and facilitate consultation with rural residents in November 1994 when it took over the RPIS Minor Works programme from the Territory Development Department (TDD).

The Steering Committee, chaired by the Director of Home Affairs, comprised the NT District Board Chairmen, Heung Yee Kuk representatives and senior government representatives while the district working groups, chaired by their respective district officers, included local leaders and departmental representatives.

They were tasked with overseeing the general programme and offering advice and assistance to help expedite the RPIS Minor Works projects, identifying and setting priorities for projects.

The close relationship established between HAD and rural villagers and the two-tier administration structure allowed the department to gain a better understanding of the villagers' needs in improving their living standards and conditions and to meet those needs, Mr Suen said.

To avoid time consuming problems previously encountered in resuming private land, Mr Suen said HAD would try to carry out most of the projects on government land.

"This also gives the department better control over the projects' completion date," he added.

Mr Suen also said the department had been employing outside specialist contractors in the design and construction of the projects. By doing so, he believed it could alleviate the Government's manpower shortage while providing employment opportunities to local residents.

He noted that the most suitable contractors were hired to carry out the works giving the best value for money through open bidding.

RPIS programme was endorsed by the Executive Council in 1989. It was divided into two segments - with TDD being responsible for all the major public works in the programme and HAD undertook minor works projects, valued less than \$15 million each.

The Administration has earmarked \$1.6 billion for a 10-year minor works programme of infrastructural development and environmental improvement.

End

Announcements on school closure made on schedule: ED

\* \* \* \* \*

In response to media reports on school closure announcements made during the passage of Typhoon Sally, an Education Department spokesman said today (Tuesday):

"There are standard procedures to ensure that the department's public announcements on school closure or resumption of classes reach the public in good time. The department's pledge is that announcements for AM classes and PM classes would be made no later than 6.15 am and 11 am respectively.

"At about 6 am, less than half an hour after the change of tropical cyclone signal from No 8 to No 3, our spokesman spoke live on Commercial Radio and RTHK, followed by an announcement transmitted via the Government Information Services.

"It was announced that whole-day schools and AM schools would be suspended, as road conditions were not stable and there had been reports of dangerous scaffoldings and fallen trees.

"At the same time, pupils of PM schools were asked to watch for further announcements to be made before 11 am. Thus these pupils have been alerted of possible resumption seven hours before their classes were due to begin.

"Safety of children, as reflected in forecasts by the Royal Observatory, together with weather and road conditions at the time, are taken into account in deciding whether or not classes should be suspended. Naturally, the desirability of keeping these children away from school despite normal weather and road conditions was another factor for consideration.

"Conditions were back to normal when all tropical cyclone signals were lowered at 10.15 am. Hence, a decision was made that afternoon and evening classes could resume.

"The announcement concerning afternoon classes was transmitted by group fax from the department's Information Unit direct to TV and radio stations at 10.36 am, 21 minutes after the Royal Observatory's lowering of all tropical cyclone signals, with the first announcement broadcast on RTHK Radio-1 (Chinese) at 10.48 am.

"Meanwhile, the message was also transmitted via the Government Information Services to ensure that it is received by electronic media stations.

"The timing of this announcement also fulfils the department's performance pledge for the first such announcement to be made before 11 am for afternoon classes.

"The department will continue to exercise flexibility in executing the standard procedures so as to keep the public informed at the earliest possible moment."

End

EPD to commission consultant

\* \* \* \* \*

The Environmental Protection Department (EPD) will commission a consultant to determine an appropriate scope and strategy for obtaining International Standards Organisation (ISO) certification under ISO14000 and ISO9000 for some of its activities, the Director of Environmental Protection, Mr Robert Law, said today (Tuesday).

Speaking at the Asian Productivity Organisation Workshop on ISO14000 Environmental Management Systems (EMS) for small and medium enterprises, Mr Law said this was to ensure that the services delivered by the department could meet the expectation of the local community in both quality and environmental aspects.

He said the ISO14000 EMS standards would enable businesses to use resources more effectively, operate in a more environmentally friendly way and ultimately become more competitive.

"As the local statutory pollution control authority, we firmly believe that this voluntary standard, coupled with a third party certification mechanism, would provide us with an indication that an organisation is taking a positive attitude towards environmental protection.

"In exercising our statutory functions we would certainly take certification under ISO14000 into account," he said.

Mr Law thanked the Hong Kong Productivity Council for organising this series of workshops, which he said should provide opportunities for participants from the 19 Asian countries to exchange their experience, knowledge and know-how on the development and implementation of the ISO14000 EMS standards.

End

218 VMs depart on orderly repatriation flights

\* \* \* \* \*

Two groups totalling 218 Vietnamese migrants (VMs) returned by air to Hanoi, Vietnam, today (Tuesday) on the 57th and 58th flights under the Orderly Repatriation Programme (ORP).

All of the returnees, comprising 101 men, 51 women, 40 boys and 26 girls, are from North Vietnam.

The majority of them arrived in Hong Kong in 1989, with the remaining in 1991, 1995 and 1996.

The two groups brought the total number repatriated on ORP flights to 5,487 since November 1991.

End

Monitors' report submitted to CS

\* \* \* \* \*

The monitors appointed to observe the Orderly Repatriation Programme operation this (Tuesday) morning have submitted their report to the Chief Secretary.

The two monitors comprised a non-official Justice of the Peace, Mrs Justina Leung Ngai Mou-yin; and representative from a non-government organisation, Ms Phoenix Leung from Oxfam, Hong Kong.

End

Hong Kong Monetary Authority tender results

\*\*\*\*\*

Tender date	10 Sept 1996	10 Sept 1996
Paper on offer	EF bills	EF bills
Issue number	Q637	H673
Issue date	11 Sept 1996	11 Sept 1996
Maturity date	11 Dec 1996	12 Mar 1997
Coupon	-	-
Amount applied	HK\$5,930 MN	HK\$5,120 MN
Amount allotted	HK\$1,500 MN	HK\$800 MN
Average yield accepted	5.22 PCT	5.39 PCT
Highest yield accepted	5.23 PCT	5.39 PCT
Pro rata ratio	About 54 PCT	About 86 PCT
Average tender yield	5.25 PCT	5.42 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning 16 Sept 1996

Tender date	16 Sept 1996	17 Sept 1996
Paper on offer	EF notes	EF bills
Issue number	5109	Q638
Issue date	17 Sept 1996	18 Sept 1996
Maturity date	17 Sept 2001	18 Dec 1996
Tenor	5 years	91 days
Amount on offer	HK\$500+100MN	HK\$1,500+300MN

End

Hong Kong Monetary Authority money market operations

\*\*\*\*\*

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,980	0930	-24
Closing balance in the account	2,384	1000	-24
Change attributable to:		1100	-24
Money market activity	+76	1200	-24
LAF today	+328	1500	+76
		1600	+76

LAF rate 4.00% bid/6.00% offer TWI 124.2 \*+0.1\* 10.9.96

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	99.49	6.38
1 month	5.07	3 years	3907	6.80	100.31	6.79
3 months	5.24	5 years	5106	7.23	99.92	7.38
6 months	5.40	7 years	7308	7.24	98.00	7.76
12 months	5.80	5 years	M503	7.35	99.05	7.73

Total turnover of EF bills and notes - \$9,329 million

Closed September 10, 1996

End