



DAILY INFORMATION BULLETIN

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Governor's transcript

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Following is the transcript of the media session by the Governor, the Rt Hon Christopher Patten, after attending the North District Pet Show at Fanling Recreation Ground this (Saturday) morning:

Question: Governor, Qian Qichen said that Britain lacked the courage to face the reality, and the statement is nothing new, so what is your response?

Governor: Let's us be clear what reality is. Reality is over a million people in Hong Kong voted for the present Legislative Council and up over the border now, four hundred people, four hundred in a bizarre farce are voting for a so-called "provisional legislature" that is the reality. Over a million in Hong Kong voting for a decent Legislative Council and four hundred voting for one another in these bizarre scene in Shenzhen. I'll tell what else is reality. Reality is that the people of Hong Kong were promised that they would have step by step democracy here, they were promised by China as well as Britain. Britain has lived up to its share of that bargain, we'll see whether the China does. I'll tell you what else the reality is. The reality is also that Britain has said to China, okay, if you think what you are doing is in line with the Joint Declaration, why don't you have the courage to go with us to the International Court of Justice and ask for independent arbitration. If China won't do that, the world will draw the obvious conclusion. I'll tell you what the other reality is. The other reality is simply this - Hong Kong is a first world economy which some Chinese mainland officials are trying to get to accept the sort of political institutions which third world countries would find unacceptable. That is the other reality. So I think that if we can start talking about reality in Hong Kong, those are the realities that some Chinese officials should face up to.

Question: Mr Patten, Qian Qichen also said the British's statement issued yesterday was helpless, is Britain helpless?

Governor: I think that what Mr Qian should be asking is whether some people in Hong Kong feel helpless. If they have this sort of institution produced to the farcical procedures foist upon them. I don't actually think that people in Hong Kong are helpless. And I'll tell you why, because among other things, the whole world is watching what's happening over the border this weekend. The whole world is watching what is going to happen in Hong Kong and the whole world wants to see Hong Kong remain not helpless, it wants to see Hong Kong remain a free, open, successful society. Britain is committed to doing everything we can to ensure that happens and will be continuing well beyond 1997 to ensure that the international community not helplessly, but the international community watches it very closely, what happens in Hong Kong. One more.

Question: You said yesterday China is sick, can you elaborate ?

Governor: No, I said that this procedure was stomach-turning. That's what I said. I think that some Chinese language, well, one Chinese language newspaper said the proceedings in Shenzhen are a farce. I think everybody knows that you don't have to see it on television this morning for a nanosecond to know what is going on as people nominate one another as they vote for themselves and vote for each other. It's only a few months ago, less than 18 months that the leader of the Democratic Alliance for the Betterment of Hong Kong, here in Hong Kong, was saying that he would deplore, that was his word, he would deplore anybody who having been defeated for this Legislative Council tried to get in by the back door into the provisional legislature. What's happening today ? What's he doing today ? What a member of the Democratic Alliance is doing today ? I wonder whether he still deplores that sort of action.

Question: When will the British Government put the problem to the International Court of Justice ?

Governor: What we've said it will be interesting to see whether China responds to this straight forward challenge. What we've said is that if China is so confident in its position, then let it go for independent arbitration to the International Court of Justice with us. It actually takes two countries, two parties to a treaty to go to the ICJ. And if China is so convinced of its own sense of reality then let it go to the ICJ with us. We'll just see what the outcome is.

End

US Special 301 "Out-of-Cycle" Review on Hong Kong

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The Hong Kong Government notes that the US Trade Representative (Ag.USTR) has just announced the outcome of the US Special 301 "Out-of-Cycle" Review on Hong Kong, amongst other trading partners, in respect of intellectual property protection, in which Hong Kong will not be placed on the watch list.

"We are pleased to note that due recognition has been given by the Acting USTR to Hong Kong's determination to solve the piracy problem and the steps taken by the Hong Kong Government to tackle piracy," a spokesman for the Trade and Industry Branch today (Saturday) said.

"The Hong Kong Government remains determined to do its utmost to put in place the best intellectual property right regime and to enforce the regime robustly. We have always acted, and will continue to act, decisively against IPR infringers within Hong Kong's rule of law. We will continue to work together with copyright owners from the US and other countries and seek active support from them in our efforts to enforce against piracy activities, eg. by testifying in our courts of law," he said.

In this year, the Government has taken additional pro-active measures to combat copyright piracy on the following fronts with good results:

- (a) closer liaison with IPR enforcement authorities in China to stop pirated copyright products from entering Hong Kong;
- (b) vigorous enforcement action at the retail, distribution and importation levels;
- (c) legislative measures to strengthen enforcement capabilities;
- (d) introduction of deterrent penalties; and
- (e) closer liaison and cooperation with copyright owners in taking enforcement and prosecution actions.

The spokesman noted that at the retail level, Customs raided 1,045 shops and hawker stalls, arrested 1,028 persons and seized 495,019 CDs, VCDs and CD-ROMs worth HK\$26 million in the first ten months of 1996.

Separately, in the first ten months of this year, Customs arrested 117 persons in connection with piracy cases at the importation, storage and distribution levels. A total of 249,324 CDs, VCDs and CD-ROMs with an estimated value of HK\$11.8 million were seized. They represent an increase of 148 per cent and 132 per cent of the figures for the whole of 1995.

Under Special 301 provisions, the USTR publishes annually lists of countries/territories which, in the view of the US Administration, offer inadequate IPR protection to US IPR investments in these countries/territories. The lists are ranked in the following descending order in terms of seriousness in IPR violation: "Priority Foreign Country List", "Priority Watch List" and "Watch List". There is also the lowest category "Other Observation" in the Report.

In this year's Report published by the USTR on 30 April, Hong Kong was mentioned under the "Other Observations" category, amongst 19 other trading partners, and is subject to "out-of-cycle" review by the USTR.

Except for countries/territories named in the "Priority Foreign Country List", the US law does not require Special 301 action against countries/territories named in any of the other categories. Hence there will not be any threat of trade sanction against Hong Kong.

Following is a detailed summary of measures undertaken by the Hong Kong Government to combat copyright piracy:

Closer liaison with IPR enforcement authorities in China

- * We recognise the importance of forging closer liaison and cooperation with IPR enforcement authorities in China to stop pirated copyright products from entering into Hong Kong.
- * We have established specific contact points with the IPR enforcement authorities in the Guangdong Province and we have been doing the same with respect to the Shenzhen Special Economic Zone.
- * Agreement has also been reached on the exchange of information and intelligence, the organisation of visits and seminars and, where appropriate, the mounting of parallel operations by the Hong Kong and relevant Chinese authorities at the Hong Kong-China border.
- * A number of high-level visits and seminars have been and will be organised to enhance greater cooperation with the IPR authorities in China.

Vigorous enforcement action at the retail, distribution and importation levels

- * At the retail level, a series of territory-wide mega-raids was mounted. In each territory-wide mega-raid, the Hong Kong Customs raided shopping arcades throughout Hong Kong, including Golden Shopping Arcade and Wanchai 298. Raids were conducted at various times and days of the week in order to maximise the surprise element and hence effectiveness.

- * At the retail level, Customs raided 1,045 shops and hawker stalls, arrested 1,028 persons and seized 495,019 CDs, VCDs and CD-ROMs worth HK\$26 million in the first ten months of 1996. Where appropriate, the Customs join hands with the Police and other Government departments in their enforcement actions.
- * In blackspots such as Golden Shopping Arcade, Customs officers monitor the shops almost on a daily basis and carry out raids whenever appropriate.
- * At the distribution and importation levels, Customs have conducted many successful raids on storage premises and stepped up enforcement actions at the various border control points. Customs have been liaising and coordinating closely with the Police on surveillance and intelligence gathering. The two forces are also maintaining close contacts with other enforcement authorities such as the US FBI on this front.
- * In the first ten months of 1996, Customs have already arrested 117 persons in connection with piracy cases at the importation, storage and distribution levels. A total of 249,329 CDs, VCDs and CD-ROMs with an estimated value of HK\$11.8 million were seized.
- * As a result of such vigorous enforcement actions at the retail, distribution and importation levels, the quantity and value of seizure in the first ten months of 1996 are already 148 per cent and 132 per cent respectively of that for the whole of 1995.
- * Enforcement against copyright piracy activities is very manpower-intensive. For the three-year period from 1994 to 1996, manpower in the Intellectual Property Investigation Bureau (IPIB) of the Hong Kong Customs has been increased by 40%. We will further increase the manpower of the IPIB by a further 15% to enhance its capabilities in intelligence gathering, surveillance, border interceptions and prosecutions in 1997. This will make the IPIB one of the most powerful IP enforcement agencies in the region.

Legislative measures to strengthen enforcement capabilities

- * We amended legislation in May 1995 and May 1996 respectively to increase substantially the level of penalties on copyright pirates and to provide Customs with additional legal power to tackle organised syndicates masterminding cross-border copyright piracy activities.

- * New customs border measures, a requirement under the TRIPS Agreement, has come into operation starting from 20 December 1996 to enable Customs to seize suspected imports of pirated copyright products at the border on the basis of court orders applied by copyright owners in advance. These measures will facilitate copyright owners in initiating civil court actions against persons bringing in pirated goods into Hong Kong.
- * We have also proposed to introduce additional legal tools in our new Copyright Bill to enhance Customs' ability to enforce against copyright piracy and to facilitate cooperation with copyright owners and enforcement authorities of other countries. Such tools include release of samples of seizures to copyright owners, forfeiture provisions to enable Customs to forfeit seized suspected pirated copyright works, additional presumptions for prosecution, modifications and clarified provisions for use of affidavits.

Introduction of deterrent penalties

- * Following the substantial increase in the penalties against copyright piracy activities in May 1995, the Hong Kong courts have taken note of the seriousness of copyright piracy as evidenced by the heavier penalties handed down. In the first nine months of 1996, a total of 87 persons received immediate custodial sentences for offences relating to copyright piracy compared to 18 for the whole of 1995.
- * In delivering the judgement of the first case tried under the enhanced penalty provisions by the District Court which was concluded in July 1996, the presiding Judge took note of the adverse effects and criticised the criminal behaviour of copyright pirates.
- * Two more District Court cases have recently been concluded pending sentencing. Another two cases have been scheduled for hearing in the coming few months.
- * In appropriate cases where the sentence imposed for copyright piracy is manifestly inadequate or wrong in principle, the Attorney General will consider applying to the Court of Appeal for the sentence to be reviewed. If the review is granted and the sentence is increased, that will serve as a binding precedent on the lower courts.

Liaison and co-operation with copyright owners

- * Full co-operation of the IPR owners in providing adequate evidential proof of copyright subsistence and ownership remains essential for successful criminal prosecutions.
- * Notwithstanding criminal enforcement by Customs, IPR owners should also take initiatives to protect their property by taking civil actions against copyright infringers through courts. We believe that vigorous criminal sanctions, together with civil actions taken by copyright owners, would maximise the effectiveness of the fight against copyright piracy.
- * We recognise the importance of promoting public awareness of and respect for intellectual property rights.
- * The Intellectual Property Department has set up a homepage on the INTERNET to provide information to the public in Hong Kong as well as overseas about our protection of intellectual property rights. An Intellectual Property Society has also recently been set up. It aims to increase public awareness of the importance of protecting intellectual property. It will launch a major public education campaign in 1997.
- * We believe that closer cooperation between the Government and the copyright owners, not only in the areas of taking enforcement and prosecution actions but also in launching public education campaigns, would be conducive to tackling the copyright piracy problem in Hong Kong.

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Firing practice in January 1997

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Firing practice will take place at the Ha Tsuen/Castle Peak Range on 18 days next month (January 1997). Members of the public are 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>
January 6 (Monday)	8.30 am - 5 pm
January 7 (Tuesday)	8.30 am - 5 pm
January 8 (Wednesday)	8.30 am - 5 pm
January 9 (Thursday)	8.30 am - 5 pm
January 13 (Monday)	8.30 am - 5 pm
January 14 (Tuesday)	8.30 am - 5 pm
January 15 (Wednesday)	8.30 am - 5 pm
January 16 (Thursday)	8.30 am - 5 pm
January 20 (Monday)	8.30 am - 5 pm
January 21 (Tuesday)	8.30 am - 5 pm
January 22 (Wednesday)	8.30 am - 5 pm
January 23 (Thursday)	8.30 am - 5 pm
January 24 (Friday)	8.30 am - 5 pm
January 27 (Monday)	8.30 am - 5 pm
January 28 (Tuesday)	8.30 am - 5 pm
January 29 (Wednesday)	8.30 am - 5 pm
January 30 (Thursday)	8.30 am - 5 pm
January 31 (Friday)	8.30 am - 5 pm

End

Hong Kong Monetary Authority interbank liquidity

		TIME	AGGREGATE BALANCE OF SETTLEMENT ACCOUNTS
OPENING AGGREGATE BALANCE	561 MN	0930 HR	8,592 MN
CLOSING AGGREGATE BALANCE	933 MN	1000 HR	8,852 MN
CHANGE ATTRIBUTABLE TO :		1100 HR	9,030 MN
MONEY MARKET ACTIVITY	NIL	1130 HR	8,959 MN
LAF REVERSAL	+7,853 MN		
LAF TODAY	- 7,481 MN		

LAF RATE 4.00% BID/6.00% OFFER TWI 125.0 *+0.0* 21.12.96

Closed DECEMBER 21, 1996

End

Public reminded not to bring back endangered species

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Members of the public are reminded not to bring back items of endangered species on their return from visits to other countries.

The appeal was made today (Sunday) by the Agriculture and Fisheries Department (AFD) as the Christmas and New Year holidays approach.

An AFD spokesman pointed out that some of the returning travellers were at times found by Customs and Excise (C&E) officers at control points to have brought in endangered species.

Statistics indicate that items seized from travellers at checkpoints include specimens of sea turtles, crocodiles, and monitor lizards, as well as corals, pangolins, ivory, parrots, eagles, owls and controlled medicines.

He stressed that any person importing, exporting or possessing any endangered species, including their parts and derivatives, without a licence issued by AFD, would have contravened the Animals and Plants (Protection of Endangered Species) Ordinance. This control measure also applies to all individuals including travellers.

Under the ordinance, any person found guilty of importing a highly endangered species item without a licence is liable to a maximum fine of \$100,000 and one year's imprisonment. If the import is for commercial purpose, the maximum penalties could be a \$5 million fine plus two years in jail.

Highly endangered species include rhinos, tiger, most species of bear, all sea turtles and medicines containing or claiming to contain rhino or tiger ingredients.

The spokesman said that C&E officers kept close watch to passengers at checkpoints and AFD inspectors conducted checks at retail shops to guard against any smuggling and illegal sale of endangered species.

He reiterated the Government's continued efforts to combat illegal import, export and possession of endangered species and to implement the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

End

Christmas party for underprivileged children

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Who has the largest number of children in Hong Kong?

The answer is the Director of Social Welfare, Mr Andrew Leung Kin-pong, who has to look after more than 800 underprivileged children aged under 21.

As the head of the Social Welfare Department, Mr Leung has become the legal guardian of these children since he took over the helm of the department in October 1996. Their total number stood at 860 as at the end of October this year.

These children are put under the guardianship of the Director of Social Welfare because they are abandoned or relinquished by their parents, or their parents are unable or unfit to exercise proper care and guardianship.

The children may be taken care by their relatives at home, placed in foster homes or small group homes, or accommodated in hostels or residential creches and nurseries operated by the SWD or non-governmental organisations.

To show concern to his 'children', Mr Leung today (Sunday) hosted a Christmas party at the Grand Hyatt Hotel for 230 'children' aged between five and 15.

In addition to a series of entertaining performances, they were presented with Christmas gifts and enjoyed a delicious buffet lunch.

"For a variety of reasons these children are unable to live with their own families, but just like any other children, they all need the care and concern of others.

"It is hoped that through this Christmas party we are not only able to provide an opportunity for the underprivileged children to share the joy and happiness of the festive season, but also to arouse public concern to the well-being of these children," Mr Leung said.

"I want my 'children' know that they are being loved and cared by their carers, social workers as well as people in the community," he added.

Mr Leung also thanked all donors for their generosity to support the event and the carers for taking care of his 'children' through these years.

End