



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
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Thursday, December 19, 1996

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Transcript of Governor's media session

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Following is the transcript of a brief media session given by the Governor, the Rt Hon Christopher Patten, before the recording of his fourth "Governor's Christmas Choice" programme for RTHK Radio 3 this (Thursday) morning:

Governor: I hope Hong Kong will have another happy and successful year and that the transition will be very successful and that Mr Tung will have a successful time as Chief Executive.

Question: So, any significant meaning to the selected songs to yourself?

Governor: No, they are just ten or eleven discs which I like a lot. This is the fourth time I've been allowed to do this for Christmas Day. Each time I have a different collection of music and each collection has been very different as you see from this one. I hope the people will enjoy the music.

Question: So, the number ten is that "As Time Goes By", any specific meaning to yourself?

Governor: No, it is because I like the film "Sleepless in Seattle" and I also like "Casablanca". And as you know, "As Time Goes By" is a wonderful recording of the number by Jimmy Durante. Okay.

End

FS: HK to build upon established policy

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The Financial Secretary, Mr Donald Tsang, tonight (Thursday) said that Hong Kong had to build upon its established policies, systems and institutions in order to achieve greater economic success in the run-up to 1997 and long beyond.

Speaking at a dinner hosted by the Chinese Manufacturers Association, Mr Tsang said that he would not alter the judicious way to deal with Hong Kong's current economic issues nor would he change the basic non-intervention policy.

"Our basic non-interventionist stance remains a virtue. Yet at the same time we need to be alert to the rapid changes around us and be even more pro-market and proactive," he said.

Mr Tsang reiterated the importance of the four vital ingredients; namely the rule of law, a level-playing field, lean and corruption-free civil service, and free flow of information for Hong Kong's continued economic advancement.

In dealing with current economic issues, the Financial Secretary said that the Government had to strike a balance to ensure that whatever actions the Government pursued would be adequate and not excessive.

"And in all cases a thorough understanding of the situation is necessary," he added.

In the case of property speculation, Mr Tsang said excessive speculation caused concerns and there was evidence to suggest that speculation at the high end of the property market was now going on at a rampant pace.

He explained that one of the reasons for concern was excessive speculation induced spreading of upward price pressures across the property market.

"A short term price spiral could lead genuine home buyers in the mass market into haphazard purchase decision which strain their affordability.

"Second, should the situation develop into a speculative bubble, the risk of precipitating an abrupt downturn would be very much greater, with adverse implications not only for the property sector but also for the banks and the economy at large.

"Too much heat in the market is not a healthy development," he added.

Mr Tsang said that in the light of such a strong surge in demand, the best way to counter-balance the market was not to curb the demand artificially but to raise the volume of supply to the maximum extent possible.

"Given the enthusiastic response to sales of flats, developers should all be keen to get more projects going. If we can make more land available for development, the volume of housing supply in the pipeline would grow and prices would stabilise.

"Moreover, we can moderate land prices when more land is put out for disposal. The prospect of a lesser price increase would in turn help dampen speculation.

"We must work harder on larger supply across the whole spectrum of land sale, conversion of land use in form of residential development and streamlining of planning or approval procedures," he noted.

In addressing the common concern about the change in the mode of Hong Kong's trade, Mr Tsang pointed out that Hong Kong was still in control of the trade in goods and related services.

"Most of the owners of the extensive manufacturing services of our traded goods were traced back to Hong Kong, although the locations of manufacturing tend to radiate far into China and South East Asia.

"Then we have been active in reinforcing our efforts in trade promotion and in sharpening our management expertise in the conduct of trade. The challenge now is to re-enforce the global links and trade repute that we have built up over the years."

On the future of the manufacturing sector, the Financial Secretary said that Hong Kong's manufacturing enterprise was far from dwindling.

"Taking into account our extended manufacturing outposts in China and in South East Asia, our effective manufacturing capacity has grown manifold over the past twenty years."

Mr Tsang said that the best approach for industrial development was to let private sector manufacturers to be at the helm in charting the course ahead, with the Government collaborating closely and actively, in a pro-market manner.

"By this I mean collaborating in such areas as infrastructure refinement, specialist training, productivity enhancement, applied research, and technology transfer.

"The Government would continue to provide a wide range of industrial support services, where facilitation and direct involvement by public bodies will help underpin the development particularly of small and medium-sized enterprises."

Mr Tsang said that the Government always stood by industrialists in building up a robust, competitive, and high-value manufacturing network with a firm base in Hong Kong.

On the issue of income disparity, Mr Tsang said that Hong Kong would continue the existing policy of letting market performance distribute wealth and incomes according to performance while the government took proper care of those individuals who could not compete on the open labour market.

However, he emphasised that there was no question of Hong Kong turning itself into some kind of "welfare state".

Mr Tsang said that Hong Kong would not follow some countries by using highly redistributive fiscal policies involving a steep taxation scale for the higher income groups and a more generous financial assistance at present for the poorer ones.

"Not only would it ruin our tax system by doing away with the low tax rate, it would also tend to weaken the incentive for work and in turn create a heavier social burden for those working. This road to welfarism would surely mess our recipe for economic success in the long run," he added.

End

Information code extended to all branches and departments

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The Code on Access to Information will be extended to the remaining nine government agencies next Monday (December 23).

Announcing this today (Thursday), a Government spokesman said this would bring all the 91 branches and departments in the Government under the Code.

The nine agencies are Audit Department, Constitutional Affairs Branch, the General Office of Government House, Independent Commission Against Corruption, the Offices of the Chief Secretary and the Financial Secretary, Royal Hong Kong Auxiliary Police Force, Royal Hong Kong Police Force, the Secretariat of the Independent Police Complaints Council, and the Secretariat of the Public Service Commission.

"Under the Code, anyone can seek access to information and records held by government departments. A department must provide access to the requested information unless there are specific grounds for refusal," the spokesman said.

Anyone who thinks that a department has not complied with the Code may ask the department to review its original decision, or complain to the Ombudsman (previously known as COMAC).

The Code has been operating smoothly since its introduction in March last year. A total of 1,677 requests for access to information were received by departments. Of these, only 52 were rejected and 39 partially declined.

Copies of the Code are available at all District Offices. The full text of the Code, together with its internal guidelines on application and interpretation and the contact details of departmental Access to Information Officers, have also been published at the World-Wide Web Government Information Centre on <http://www.info.gov.hk/access/index.htm>.

End

Increase of ex-gratia payment to outbound travellers

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The Travel Industry Compensation Fund (TICF) Management Board, after having consulted with the Financial Secretary, has made rules to increase the maximum rate of ex-gratia payment under the TICF from 80 per cent to 90 per cent of the outbound fare paid upon default of travel agents.

The Travel Industry Compensation Fund (Amount of Ex-gratia Payments and Financial Penalty) (Amendment) (No. 2) Rules, will be published in the Government Gazette tomorrow (Friday).

The objective of the amendment Rules is to increase the maximum rate of ex-gratia payment under the TICF to 90 per cent so as to enhance protection of outbound travellers upon default of travel agents.

"The revision of the maximum rate has been endorsed by the Advisory Committee on Travel Agents and has also the support of the Travel Industry Council of Hong Kong," Dr James Kung, Chairman of the Management Board said.

"The amendment Rules will come into operation upon its gazettal on December 20, 1996 so as to enable outbound travellers to benefit from the enhanced rate before the holiday season in Christmas.

"The TICF is now in a healthy state. It has accumulated a reserve of over \$220 million and there is no need to revise the rate of levy to cope with the potential liabilities," he added.

End

Energy Advisory Committee meeting

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At the third meeting held today (Thursday), the Energy Advisory Committee agreed that the Energy Efficient Building Award Scheme '97 should be organised under the auspices of the Committee.

The aim of the Scheme is to promote energy efficient architectural design and building services. It is targeted at commercial, industrial and institutional buildings.

The first award, organised by the former Energy Efficiency Advisory Committee in 1994, aroused substantial interest among building professionals and achieved its objective of raising awareness of energy efficiency in the design of buildings and building services.

Today's meeting reviewed the position on the potential for generating electricity from household waste incinerated in facilities able to meet our stringent emission standards.

The Committee noted Government's intention to conduct a feasibility study on waste-to-energy incineration as a priority. Among other things, the study will examine the potential for connecting electricity produced by the waste-to-energy facilities to the existing transmission system.

The Committee was briefed by the Hong Kong and China Gas Company on the considerations involved in provisioning future demand for town gas, including the potential for demand side management for gas supply.

The meeting also noted the present position on implementing 14 energy policy principles agreed at the first Asia-Pacific Economic Co-operation (APEC) Energy Ministers Meeting in Sydney, Australia in August 1996.

Generally, the principles promote more open energy markets, removal of excessive regulation of the energy sector and sustainable use of energy resources.

While further work is required in some areas, notably in connection with identification of feasible measures to reduce greenhouse gas emissions, Hong Kong is well positioned to integrate the APEC principles into energy policy.

The Committee, which is chaired by Professor Charles Kao Kuen, CBE, advises the Government on energy policy matters, including energy efficiency and conservation. The next meeting will be held in April 1997.

End

Antiquities Advisory Board meets today

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At its meeting held on December 19, 1996, the Antiquities Advisory Board (AAB) recommended that the King Law Ka Shuk at Tai Po Tau Tsuen, Tai Po should be declared historical building under the Antiquities and Monument Ordinance.

The Board also endorsed the position papers on the Town Planning White Bill and the Territorial Development Strategy (TDS) Review.

In respect of the Town Planning White Bill, the Board in general welcomed the introduction of the Special Design Area (SDA) concept and was pleased to see that the definition of "environment" included the cultural environment. The Board, however, urged that the following views be incorporated to and considered for the final draft of the White Bill:

- A list of gazetted monuments, existing and future, should be included in the explanatory statements of the respective Outline Zoning Plans, and their status clearly stipulated.
- Archaeological sites should be either regarded as "sites of special scientific interest" or included under SDA.
- A formal mechanism should be set up to consult AAB on the selection for designation of SDAs in relation to heritage and on development/planning proposals affecting the SDAs.
- The environs of monuments gazetted under the Antiquities and Monuments Ordinance should be automatically designated as SDAs.

As to the TDS Review, the Board considered that heritage preservation had not been treated fairly and equally with the natural environment and other infrastructural needs. The Board had a number of long-term plans for the furtherance of heritage preservation and requested that the team working on the TDS to liaise closely with the Antiquities and Monuments Office (AMO) in their future endeavours.

The Board strongly urged that:

- Adequate resources had to be fully provided for the protection, preservation and conservation of both the built heritage and archaeological sites.

- Part of the TDS should incorporate requirements for any necessary marine archaeology.
- The data collected and the comprehensive inventory established by the two territory-wide surveys conducted by the AMO should be fed into the TDS Review machinery to guide planning for territorial development.

End

Military storage facilities at Shek Kong Camp

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About two-thirds of the works in the re-provisioning of military storage facilities at Shek Kong Camp have been completed, the Director of Architectural Services, Mr Kenneth Chan, said today (Thursday).

"Works are progressing smoothly and are expected to be completed on time in March next year," he said.

Mr Chan was speaking at today's topping-out ceremony of the re-provisioned military storage facilities at Shek Kong Camp.

Also officiating at today's ceremony were the Counsellor of the Office of the Chinese Senior Representative, Sino-British Joint Liaison Group, Mr Yang Jianhua, and Mr Wong Kam Shing, Managing Director of the Wang Chong Construction Company Limited.

The re-provisioning of military storage facilities at Shek Kong Camp is one of the four projects being undertaken by the Architectural Services Department for the future Chinese garrison in Hong Kong.

Other projects include the Naval Base at South Shore of Stonecutters Island, the Military Hospital at Gun Club Hill Barracks and the Joint Movement Unit at Chek Lap Kok Airport.

"We did encounter some difficulties during the design and construction stages. We have to work on a very tight schedule and are obliged to complete the whole project, from detailed design, fund application, tendering, site formation, piling to actual superstructure construction, in only three years' time.

"Most of the problems have been resolved with the joint efforts of all parties concerned, and I am pleased to say that the works are progressing smoothly," said Mr Chan.

Occupying a site area of about 24,000 square metres , the Shek Kong military storage facilities will serve as a base for storing and supplying equipment and military provisions.

They include buildings to store bedding, clothing supply, vehicles and barracks necessities as well as accommodations for canteen and offices.

End

Medical examination results announced

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The Licentiate Committee of the Medical Council of Hong Kong announced today (Thursday) that 12 out of the 40 candidates who have sat the clinical examination of the 1996 Licensing Examination recently have passed, representing a pass rate of 30 per cent.

The examination, held between December 7 and 13, 1996, was a clinical examination to test candidates' ability in applying professional knowledge to clinical problems.

The examination covered subjects in medicine, surgery, obstetrics and gynaecology and paediatrics, where candidates were examined respectively by two panels of examiners.

Those successful candidates will be required to undergo a 12-month assessment and training as interns in hospitals arranged by the Central Internship Committee.

End

Popular demand for Year Book

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Additional copies of the latest Hong Kong Annual Report have been printed due to popular demand.

Hong Kong 1996 is the 50th Anniversary edition of the year book and it has received an enthusiastic response from the public, Chief Information Officer of the Information Services Department, Mr Paul Brown, said today (Thursday).

He said the Chinese edition of the book had almost sold out by November and it was necessary to order a reprint to meet the continued demand, particularly for the Christmas season when publications were purchased as gifts.

"The book is a handy compendium of official facts and figures relating to the past year as well as about Hong Kong generally, and its publication coincides with a time of heightened interest in information about the territory," Mr Brown said.

He said the increased public interest was probably also due to the fact that it was an anniversary edition and because of the special features that were included in the book.

The Review Chapter of the book is written by The Baroness Dunn, who comments on the necessary ingredients for Hong Kong's success. It was one of her last public acts before leaving Hong Kong after many years of public service, including as Senior Member of both the Legislative and Executive Councils.

In keeping with anniversary editions, the book includes a photographic retrospective showing how Hong Kong has changed in the past 50 years. There is also a foreword which provides a taste of what life was like in the immediate post-war period.

To put readers in the picture with regard to the achievements made during the transitional period, the book lists the agreements which have been reached since the Joint Liaison Group was established in 1984 and the multilateral treaties that Hong Kong is now a party to.

Another special feature of the book is the inclusion for the first time of a map of the territory showing it in its southern China setting and illustrating the city centres, airports and other major facilities in the Pearl River Delta and southern Guangdong.

Copies of Hong Kong 1996 are available in English and Chinese at the Government Publications Centre, ground floor, Low Block, Queensway Government Offices, 66 Queensway, Hong Kong. They are also available at leading book shops and the Government's District Offices.

The book can also be purchased by mail order from the Publications Sales Office, Information Services Department, 28th Floor, Siu On Centre, 188 Lockhart Road, Wan Chai. Enquiries can be made by telephone on 2598 8194-7 or by fax on 2598 7482.

Hong Kong 1996 is priced at \$80 per copy.

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Wong Tai Sin district by-election forum

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Local residents are invited to attend a District Board by-election forum for the Wong Tai Sin district San Po Kong constituency organised by the Wong Tai Sin District Office tomorrow (Friday) night.

The forum will allow the candidates to elaborate on their respective platforms and give residents an opportunity to engage in a floor discussion with them.

Two candidates, Mr Mak Hoi-wah and Mr Lee Tat-yan, who have signed up to contest the vacancy will attend the forum which will begin at 8 pm at the Ho Lap College at Tseuk Luk Street, San Po Kong.

End

No flag selling on Saturday

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The Social Welfare Department today (Thursday) announced that there will be no flag day on Saturday (December 21).

A department spokesman said the flag day permit originally issued to the Tsuen Wan Ecumenical Social Service Centre for December 21 has now been withdrawn by the agency because of a labour dispute.

End

Hong Kong Monetary Authority interbank liquidity

		TIME	AGGREGATE BALANCE OF SETTLEMENT ACCOUNTS
OPENING AGGREGATE BALANCE	769 MN	0930 HR	15,054 MN
CLOSING AGGREGATE BALANCE	410 MN	1000 HR	17,006 MN
CHANGE ATTRIBUTABLE TO :		1100 HR	21,810 MN
MONEY MARKET ACTIVITY	-304 MN	1200 HR	30,553 MN
LAF REVERSAL	+8,327 MN	1500 HR	33,155 MN
LAF TODAY	- 8,382 MN	1600 HR	31,042 MN

LAF RATE 4.00% BID/6.00% OFFER TWI 125.0 *+0.1* 19.12.96

Hong Kong Monetary Authority

EF Bills		EF Notes/MTRC Notes				
Terms	Yield	Terms	Issue	Coupon	Price	Yield
1 week	4.22	2 years	2811	5.72	100.07	5.76
1 month	4.34	3 years	3910	6.28	100.48	6.18
3 months	4.61	5 years	5112	6.57	99.27	6.86
6 months	4.86	7 years	7311	6.80	98.62	7.18
12 months	5.14	10 years	1610	7.37	100.57	7.42
		5 years	M503	7.35	101.35	7.12

TOTAL TURNOVER OF EF BILLS AND NOTES - \$8,084 MN

CLOSED DECEMBER 19, 1996

End