



DAILY INFORMATION BULLETIN

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Transcript of CS's media session

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Following is the transcript of the remarks made to the media by the Chief Secretary, Mrs Anson Chan, at the Central Government Offices this (Tuesday) afternoon:

CS: I want to make a comment. I know that there has been radio report of utterances from individual Chinese officials concerning principal officials. As you know, we do not comment on these individual utterances and I would expect that on a matter as important as this, that if the Chinese have a view about this, they will communicate that view to us officially through established channels. As regards the criteria for principal officials, as you well know, criteria are clearly laid down in the Basic Law and the Joint Declaration and I'm sure both sides would act strictly according to the provisions of the Basic Law and the Joint Declaration. I simply like further to add that both the Chinese side and the British and Hong Kong Government side have stressed repeatedly the importance of continuity in the civil service and giving confidence to civil servants in the transition. And I'm sure neither would wish to take any action that in anyway erodes confidence or makes civil servants feel uncomfortable about the transition and about life after 1997.

End

Transcript of FS's media session

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The following is the transcript of the Financial Secretary, Mr Donald Tsang's remark at a media session at the Central Government Offices this (Tuesday) afternoon:

FS: There are many media reports on what Chinese officials and others have been saying, have said, emerging from the meeting in Beijing. It would be inappropriate for me to answer or to make a response on individual comments. But there are a few points which are quite clear. First of all, the Hong Kong Government is determined to co-operate fully with the experts of the Chinese side on the Joint Liaison Group in preparing the transitional Budget for 1997-98. This would be a 12-month Budget covering the entire financial year and it is a common position on both sides. And this is a very important point because we need a twelve-month Budget to ensure fiscal, monetary stability during the transitional phase and it will be necessary for the long term economic development of Hong Kong too.

So on our part, Hong Kong Government, would make every effort to prepare the 1997-98 budget which would reflect the wishes of Hong Kong people of the whole community and at the same time a Budget which is conducive to the smooth transition. We will also endeavour to reach a full consensus with the Chinese side on all the provisions in the 1997-98 Budget. There are very clear and explicit legal requirements for approval of the annual Budget of the Hong Kong Government. As Hong Kong Administration, we are obliged to meet these requirements. So our intention is quite clearly that we would submit a 1997-98 Estimates and a Budget to the Legislative Council for approval in the usual way in March 1997.

End

Healthy growth in Exchange Fund recorded

* * * * *

The Hong Kong Monetary Authority (HKMA) today (Tuesday) released the unaudited results of the Exchange Fund at end-1995 with total assets of the Fund up 13.5 per cent to HK\$460.7 billion from HK\$405.8 billion in 1994 and a 27 per cent growth in accumulated earnings, a performance indicator of HKMA's investment strategy.

As the Financial Secretary, Mr Donald Tsang, has already announced in his Budget speech, the foreign currency assets within the Exchange Fund totalled US\$57.2 billion, placing Hong Kong seventh in the world in overall foreign exchange reserves and second in terms of per capita reserves, the same rankings as in 1994.

Accumulated earnings in the Exchange Fund surged from HK\$125.8 billion as at end-1994 to HK\$160.1 billion towards the end of last year, an increase of HK\$34.3 billion.

"The HK\$34.3 billion increase in accumulated earnings of the Exchange Fund was the biggest we've had in one year.

"The year 1995 was exceptionally good for bonds of all maturities with total returns the third highest since the Second World War.

"Since the Exchange Fund assets were held primarily in US bonds, we were able to benefit from the market rally," said Chief Executive of HKMA, Mr Joseph Yam.

He stressed that HKMA had taken its usual prudent management of the Fund with the majority of the assets invested in fixed income instruments.

The outlook for 1996 was however less certain, according to Mr Yam.

"There are mixed forecasts for interest rates level this year while a stronger US currency will affect our non-US dollar foreign assets," he explained.

"Therefore, while we will still expect to be able to add further to our Exchange Fund in 1996, the rate of return will probably not be able to match that of 1995," he added.

Table 1

Exchange Fund balance sheet

(HK\$ Million)

	1994 (Revised)	1995	Percentage Increase
Assets			
Foreign currency assets*	381,233	428,547	
Hong Kong dollar assets	24,617	32,181	
Total	405,850	460,728	13.52%
Liabilities			
Certificates of Indebtedness	74,301	77,600	
Fiscal Reserves Account	131,240	125,916	
Coins in circulation	3,372	3,597	
Exchange Fund Bills and Notes	46,140	53,311	
Balance of banking system	2,208	1,762	
Other liabilities	22,815	38,422	
Total	280,076	300,608	7.33%
Accumulated earnings	125,774	160,120	27.31%

**1995 figures are based on US\$1 to HK\$7.732, the market rate as at end 1995 while 1994 figures are based on US\$1 to HK\$7.737, the rate as at end 1994*

Table 2

Exchange Fund Balance Sheet

	Based on New Accounting Policies			Based on Old Accounting Policies	
	Dec-95 (Unaudited) <u>HK\$ mn</u>	Jun-95 (Unaudited) <u>HK\$ mn</u>	Dec-94 (Unaudited) <u>HK\$ mn</u>	Dec-94 (As previously published) <u>HK\$ mn</u>	Jun-94 (Unaudited) <u>HK\$ mn</u>
Assets					
Foreign currency assets*	428,547	414,964	381,233	384,359	367,543
Hong Kong dollar assets	32,181	32,052	24,617	24,126	20,782
	<u>460,728</u>	<u>447,016</u>	<u>405,850</u>	<u>408,485</u>	<u>388,325</u>
Liabilities					
Certificates of indebtedness	77,600	74,630	74,301	74,301	69,571
Fiscal reserves account	125,916	143,908	131,240	131,240	131,171
Coins in circulation	3,597	3,332	3,372	3,372	2,573
Exchange Fund Bills and Notes	53,311	50,840	46,140	46,140	39,221
Balance of banking system	1,762	2,247	2,208	2,208	2,858
Other liabilities	38,422	22,048	22,815	22,614	18,819
	<u>300,608</u>	<u>297,005</u>	<u>280,076</u>	<u>279,875</u>	<u>264,213</u>
Accumulated earnings	<u>160,120</u>	<u>150,011</u>	<u>125,774</u>	<u>128,610</u>	<u>124,112</u>

*One of the major changes in accounting policies was the use of market rate of HK\$ against US\$ at the close of business. The figures reflecting the old accounting policies were based on HK\$7.8 to US\$1.

Hong Kong offers best support facilities to broadcasters

* * * * *

International broadcasters setting up in Hong Kong can call on some of the best supporting facilities in the world, the Deputy Secretary for Recreation and Culture, Mrs Rita Lau, said this (Tuesday) morning.

Addressing the opening of the 1996 Pan Asia Satellite and Cable TV Conference and Exhibition at the Convention and Exhibition Centre, Mrs Lau said that as well as the strength in depth of Hong Kong's infrastructure and excellent communications, there were specific advantages to locating broadcasting operations in Hong Kong.

First, Hong Kong has the supporting industries that broadcasters need. "Here, you will find offices of the world's biggest advertising agencies, the best qualified audience research companies, the most respected news bureaux, Asia's most sophisticated pre-and-post production facilities, and the region's most advanced telecommunications companies.

"In short, all the ingredients that international broadcasters need to make their business work," she said.

Secondly, the territory has a critical mass of broadcasting talent which is probably unmatched in East and Southeast Asia. In this respect, the local broadcasting industry already employs several thousand people, and organisations such as the Vocational Training Council and other tertiary institutions are committed to training the new generations of engineers, technicians, journalists and presenters needed to staff the fast-growing broadcasting industry.

Thirdly, Mrs Lau continued, Hong Kong has a transparent and fair regulatory system which sets out clearly what is expected of broadcasters in terms of programme standards and practices, and then leaves them to get on with running their business.

"We do not practise pre-censorship, and we do not impose restrictions on the reception of satellite programming in Hong Kong," she stressed.

Moreover, for those seeking to address Asia's largest market, China, there are particular benefits to locating in Hong Kong because "nowhere else can match the combination of proximity, knowledge of market conditions, and the wide range of business and official contacts which make doing business in China so much easier."

End

Drug controls proposals endorsed

* * * * *

Members of the Action Committee Against Narcotics (ACAN) at a meeting today (Tuesday) endorsed the Government's proposal to tighten the statutory controls on the acquisition and the supply of dangerous drugs.

The Administration had proposed amendments to the Dangerous Drugs Regulations to tighten the record-keeping requirements on the acquisition and supply of dangerous drugs by authorised persons.

In the proposal, it was also suggested to increase the fine for offences in contravention of the record-keeping requirements from \$50,000 to \$450,000.

Members discussed the vetting procedures and the funding criteria for the \$350 million Beat Drugs Fund which is to be established next month. The Fund will provide funding support to worthwhile projects which can help reduce the drug abuse problem.

Drug statistics for the fourth quarter of 1995 were also tabled and discussed at the meeting.

Members noted that the figures of young drug abusers in the fourth quarter of 1995 continued to decline following the previous three quarters.

The number of drug abusers under 21 reported to the Government's Central Registry of Drug Abuse (CRDA) decreased by 24.1 per cent to 1,152 in the fourth quarter of 1995, as compared to 1,518 in the corresponding period in 1994.

Of them, 424 were reported to CRDA for the first time, representing a drop of 29.8 per cent from 604 in the fourth quarter in 1994. A decrease of 20.4 per cent was also noted for previously reported young drug abusers from 914 in the fourth quarter of 1994 to 728 in the same period of 1995.

The number of drug abusers of all ages in the fourth quarter of 1995 registered a decrease of 14.3 per cent to 6,912 from 8,064 in the same period of 1994. The numbers of newly reported persons and previously reported persons were down by 17 per cent (from 1,129 to 937) and 13.8 per cent (from 6,935 to 5,975) respectively.

The percentage of female drug abusers of all ages increased slightly from 10.6 per cent (856) to 11.5 per cent (798). For those under 21, an increase of 5 percentage points from 22.3 per cent (339) to 27.3 per cent (314) was noted.

The common reasons attributed to drug taking by reported drug abusers under 21 were peer influence, curiosity and relief of boredom, depression or anxiety.

On the types of drugs abused, 66.6 per cent of all reported young drug abusers took narcotics and analgesics and 37.9 per cent took psychotropic substances.

On the treatment front, a total of 3,755 persons were admitted to the three main government-funded treatment programmes, of which 1,020 (or 27.2 per cent) were first-time admissions.

These represented decreases in total admissions by 21.2 per cent and in new admissions by 17 per cent.

End

Govt's response to press enquiries on mad-cow disease

* * * * *

In response to press enquiries on the mad-cow disease known as Bovine Spongiform Encephalopathy (BSE), a government spokesman said this (Tuesday) evening:

"We have again sought advice from the WHO and are waiting for the outcome of a further meeting of public health and veterinary experts in Brussels on BSE.

"For the time being, we are advising wholesalers, retailers, and hotel and restaurant operators to indicate the origin of frozen beef before they release the product to their customers.

"Only two to three per cent of frozen beef imported to Hong Kong comes from the UK. The rest are from places like Argentina, Australia, New Zealand and the USA.

"Hong Kong does not import fresh meats from the UK. All fresh meats on sale in the market are of Chinese origin."

End

KMB fare increases approved by ExCo

* * * * *

The Governor-in-Council today (Tuesday) approved a 2.7 per cent fare increase for the Kowloon and New Territories local routes of Kowloon Motor Bus Company (1933) Limited (KMB) to take effect on April 4.

A government spokesman said: "KMB last increased the fares on its local routes in April 1995 by eight per cent. The increase of 2.7 per cent is well below the inflation rate of 7.1 per cent since the last fare increase.

"With this decision, about eight per cent of KMB's passengers on local routes would not face any fare increase, whilst about 91 per cent of them would pay only 10 cents to 20 cents more per trip.

"The fare increase would give KMB an incentive to continue to invest and improve its services."

KMB's cross-harbour bus fares were increased by 10 per cent on March 3.

End

Membership of MPF Advisory Board announced

* * * * *

An advisory board has been formed to advise the Government on policy issues in connection with the Mandatory Provident Fund (MPF).

The Government today (Tuesday) announced the appointment of Executive Councillor and banker, Mr Vincent Cheng as Chairman of the Advisory Board, accountant Mr Marvin Cheung as Vice-Chairman, and the Secretary for Financial Services, the Secretary for Education and Manpower and the Chief Executive, Hong Kong Monetary Authority as ex-officio members.

A Government spokesman said that the Advisory Board which comprised experts with relevant backgrounds would make recommendations on policy issues relating to the MPF and oversee the development of the system.

At the end of February, the Government announced the appointment of a Panel of Specialists to advise it on technical issues involved in the subsidiary legislation. Both the Advisory Board and the Panel of Specialists are essential parts of the consultative machinery set up by the Government to ensure that the MPF legislation is sound and widely understood.

"The immediate task of the Advisory Board is to make recommendations on the subsidiary legislation," the spokesman said.

"In view of the tight timetable for the preparation of the subsidiary legislation, the Advisory Board will have a busy meeting schedule during this year," he added.

End

New Commissioner of Inland Revenue appointed

* * * * *

The Government announced today (Tuesday) that the Deputy Commissioner of Inland Revenue, Mr Wong Ho-sang, will succeed Mr Anthony Au Yeung Fu, as Commissioner of Inland Revenue from April 24. Mr Au Yeung will proceed on pre-retirement leave on the same day.

Following are their brief biographical notes of Mr Au Yeung and Mr Wong:

Mr Anthony Au Yeung Fu, OBE, JP

Aged 60, Mr Au Yeung joined the Hong Kong government as an Assessor in 1965. After a series of promotion in the grade, he was promoted to the post of Commissioner of Inland Revenue in 1985. On his retirement, Mr Au Yeung will have completed over 30 years of service with the Hong Kong government.

Mr Wong Ho-sang, JP

Aged 52, Mr Wong first joined the Hong Kong government as an Industry Assistant in 1967. He was transferred to the Assistant Assessor rank in 1968, and rose to his present rank of Deputy Commissioner of Inland Revenue in 1995.

End

Fight Crime Committee members re-appointed

The Government today (Tuesday) announced the re-appointment of five existing members to the Fight Crime Committee.

They are Mrs Miriam Lau, Mr James To, Mr Edward Pong Chong, Mr Robert George Kotewall and Mr Hui Yung-chung.

The five members are re-appointed for a period of two years from April 1, 1996, to March 31, 1998.

Following is the membership list of the Committee:

Chairman: Chief Secretary, Mrs Anson Chan

Deputy Chairman: Attorney General, Mr Jeremy Mathews

Members: Miss Rosanna Wong
Mrs Miriam Lau
Mr James To
Mrs Alice Chong
Mr Robert George Kotewall
Mr Hui Yung-chung
Mr Edward Pong
Ms Sansan Ching
Secretary for Security, Mr Peter Lai
Secretary for Home Affairs, Mr Michael Suen
Secretary for Health and Welfare, Mrs Katherine Fok
Secretary for Education and Manpower, Mr Joseph Wong
Commissioner of Police, Mr Eddie Hui
Commissioner of Correctional Services, Mr Raymond Lai

Secretary: Principal Assistant Secretary for Security, Mr Jack Chan

End

English language curriculum for children from China

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The Education Department is consulting primary and secondary school teachers on a draft English Language curriculum framework and suggested strategies specially for teachers and tutors of children newly immigrating from China (CIC).

The draft comprises two sections: a framework of teaching contents, and strategies and examples of learning activities.

The former provides a framework of the language areas that should be taught to CICs immediately while the latter suggests ways to help them in normal class and additional class learning environments.

Four seminars introducing the concept and details of the drafted framework and strategies will be organised for primary and secondary school teachers on April 19 and 26.

Relevant circulars have been sent to schools. Teachers are welcome to send their comments and suggestions to the English Unit of the Curriculum Development Institute, Education Department by June 30.

The draft framework and suggested strategies will be revised in the light of feedback from teachers.

The department also encourages teachers to try-out the framework and strategies in their own schools on a voluntary basis.

Enquiries may be directed to the English Unit of the Curriculum Development Institute on 2892 5888 and 2892 5875.

End

Quarterly report on general household survey

* * * * *

The Census and Statistics Department today (Tuesday) published the Quarterly Report on General Household Survey for the fourth quarter of 1995.

The report, which is now available for sale, contains statistics on employment, unemployment and underemployment during the survey period.

It also provides detailed analysis of the characteristics of members of the labour force, including their age, sex, educational attainment, activity status, occupation, industry, hours worked per week and monthly employment earnings. Data on reasons for unemployment and duration of unemployment for the unemployed are also presented.

Copies of the report at \$32 each can be obtained from the Government Publications Centre, Queensway Government Offices, Low Block, 66 Queensway, Hong Kong.

The General Household Survey is conducted every quarter by the Census and Statistics Department with the aim to collect information on the labour force, unemployment and underemployment. In addition, special enquiries on selected social topics are also included in its supplementary part.

As a continuous exercise, the forthcoming survey will be conducted between April and June to cover the second quarter of this year.

Prior to the survey exercise, an official letter will be sent to the sampled households to explain the purpose of the survey and to seek their co-operation.

Afterwards, officers of the department will visit the households concerned to collect the required information. When visiting households, they carry with them a Government identity card and a certificate for conducting the survey. They will make such documents available for inspection by households to confirm their identities.

To make it more convenient for both the households and the department, the sampled households selected for the survey could telephone the department to make prior appointment for visit by the interviewers.

End

Post offices to close during holidays

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The Postmaster General, Mr Robert Footman, announced today (Tuesday) that all post offices would be closed during the Ching Ming Festival and the Easter holidays from April 4 to 8.

Special mail deliveries would be provided on April 4 (Ching Ming Festival) and April 8 (Easter Monday) but no delivery would be made on April 5, 6 and 7.

End

Joint Service shooting competition

* * * * *

Crack shots throughout the British Garrison have their sights firmly set on this week's Hong Kong Skill At Arms Meeting, a major training event aimed at finding the Territory's top marksman.

During the annual three-day competition at Lo Wu Ranges participants from all three Services comprising Royal Navy, Army and Royal Air Force, aim to test their skills in a Pistol Match, Rifle Match, March and Shoot and Light Support Weapon Match, their target being the Commander's Top Ten Shoot Offs.

The final day on tomorrow (Wednesday) will also see a spirited and good-humoured fight for honours in the knock-out Falling Plate Competition when personnel, usually found sitting behind their desks, will take up arms against the "professionals".

End

Hong Kong Monetary Authority tender results

Tender date	26 Mar 1996	26 Mar 1996
Paper on offer	EF bills	EF bills
Issue number	Q613	H661
Issue date	27 Mar 1996	27 Mar 1996
Maturity date	26 Jun 1996	25 Sept 1996
Coupon	-	-
Amount applied	HK\$3,970 MN	HK\$3,270 MN
Amount allotted	HK\$1,500 MN	HK\$800 MN
Average yield accepted	5.06 PCT	5.13 PCT
Highest yield accepted	5.07 PCT	5.14 PCT
Pro rata ratio	About 35 PCT	About 70 PCT
Average tender yield	5.08 PCT	5.15 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning 1 Apr 1996

Tender date	2 Apr 1996
Paper on offer	EF bills
Issue number	Q614
Issue date	3 Apr 1996
Maturity date	3 Jul 1996
Tenor	91 days
Amount on offer	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	2,921	0930	-122
Closing balance in the account	2,807	1000	-122
Change attributable to :		1100	-122
Money market activity	-114	1200	-114
LAF today	Nil	1500	-114
		1600	-114

LAF rate 4.00% bid/6.00% offer TWI 123.6 *+0.0* 26.3.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.86	2 years	2802	5.16	98.86	5.89
1 month	4.92	3 years	3901	5.57	98.76	6.14
3 months	5.06	5 years	5103	6.75	100.93	6.63
6 months	5.14	7 years	7302	6.02	95.61	6.94
12 months	5.46	5 years	M502	7.30	102.10	6.87

Total turnover of EF bills and notes - \$22,002 million

Closed March 26, 1996

End