



DAILY INFORMATION BULLETIN

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HK AND CANADA HAVE A STAKE IN EACH OTHER'S FUTURE: GOVERNOR

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HONG KONG AND CANADA EACH HAVE A STAKE IN THE OTHER'S FUTURE, THE GOVERNOR, SIR DAVID WILSON SAID THIS EVENING (FRIDAY).

SPEAKING AT A DINNER IN HONOUR OF THE CANADIAN PRIME MINISTER, MR BRIAN MULRONEY, AT THE GOVERNMENT HOUSE, SIR DAVID SAID ALTHOUGH HONG KONG WAS SMALL IN COMPARISON TO CANADA, EACH HAD MUCH TO OFFER THE OTHER IN THE EXCHANGE OF CULTURE AND IDEAS AND IN STRONG, HEALTHY COMMERCIAL RELATIONS.

"THERE COULD BE NO STRONGER BASIS UPON WHICH TO BUILD A WARM, MUTUALLY BENEFICIAL AND ENDURING RELATIONSHIP," HE SAID.

WELCOMING THE PRIME MINISTER TO HONG KONG, THE GOVERNOR SAID HE WAS HONOURED TO BE INVITED BY MR MULRONEY TO VISIT CANADA A YEAR AGO AS A GUEST OF THE CANADIAN GOVERNMENT, AND HE HAD GREAT PLEASURE TO BE ABLE TO RETURN THAT COMPLIMENT.

"HONG KONG IS HONOURED - AND PROUD - THAT YOU HAVE COME. WE WELCOME YOU," THE GOVERNOR SAID.

SPEAKING ON THE LINKS WHICH BOUND THE PEOPLE IN HONG KONG AND CANADA IN THE PAST AND PRESENT, SIR DAVID SAID, FAMILY TIES HAD STRENGTHENED THESE BONDS.

MIGRATION FROM HONG KONG ACROSS THE PACIFIC WAS NOT NEW BUT THERE WERE NOW NEW EMIGRE HONG KONG COMMUNITIES IN CITIES SUCH AS TORONTO AND VANCOUVER WHICH HAD ENRICHED THE FABRIC OF CANADA'S ALREADY VARIED CULTURE, SIR DAVID SAID.

"THE ESTABLISHMENT OF THESE NEW COMMUNITIES HAS ALSO CREATED A WEALTH OF NEW COMMERCIAL LINKS. THESE BENEFIT US BOTH. THEY CREATE A SENSE OF PRACTICAL PARTNERSHIP," THE GOVERNOR SAID.

SIR DAVID POINTED OUT THAT THE CANADIAN GOVERNMENT HAD TAKEN ACCOUNT OF HONG KONG'S NEEDS IN THE BEST POSSIBLE WAY - THROUGH PRACTICAL ARRANGEMENTS TO DEVELOP THE GROWTH OF TRADE, COMMERCE AND INVESTMENT.

AND, IN A VERY PRACTICAL WAY, CANADA WAS HELPING TO BUILD THE FOUNDATIONS FOR A SUCCESSFUL FUTURE FOR HONG KONG AND HE CITED THE FOLLOWING EXAMPLES:

- THE AIR SERVICES AGREEMENT SIGNED IN 1988;
- CO-OPERATION IN THE FIGHT AGAINST DRUGS;
- AND THE ARRANGEMENTS NOW ALMOST COMPLETED FOR THE OPENING OF A HONG KONG ECONOMIC AND TRADE OFFICE IN TORONTO LATER THIS YEAR.

SIR DAVID SAID THE CANADIAN BUSINESS PRESENCE IN HONG KONG WAS STRONG AND WELL-LIKED AND ITS MEMBERS PLAYED AN ACTIVE PART IN COMMUNITY LIFE.

/"WE WELCOME

"WE WELCOME THEM WARMLY, AS WE WELCOME ALL WHO ENJOY THE CHALLENGE AND EXCITEMENT OF FINDING OPPORTUNITY WHERE FAINTER HEARTS MIGHT SEE ONLY RISK," HE SAID.

SIR DAVID ALSO PAID TRIBUTE TO THE SELFLESS GALLANTRY OF THE MEN OF THE ROYAL RIFLES AND THE WINNIPEG GRENADIERS WHO FELL IN THE DEFENCE OF HONG KONG IN 1941.

"THEY ARRIVED IN HONG KONG SCARCELY THREE WEEKS BEFORE THE BATTLE. THEY OWED US NOTHING; BUT GAVE THEIR LIVES. IT IS A DEBT WE HAVE NOT FORGOTTEN," HE SAID.

THE PRIME MINISTER AND THE GOVERNOR WILL HONOUR THOSE SOLDIERS AT A REMEMBRANCE SERVICE TO BE HELD TOMORROW (SATURDAY) AT THE SAI WAN BAY WAR CEMETERY.

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FESTIVAL PROVIDES OPPORTUNITY TO SHARE IDEAS AND ENTERTAINMENT
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THE GOVERNOR, SIR DAVID WILSON, TODAY (FRIDAY) PAID TRIBUTE TO THE PRIME MINISTER OF CANADA, MR BRIAN MULRONEY, AND THE CANADIAN PEOPLE FOR STAGING THE FESTIVAL OF CANADA IN HONG KONG WHICH PROVIDES AN OPPORTUNITY TO SHARE IDEAS AND ENTERTAINMENT ACROSS THE PACIFIC.

ADDRESSING THE LAUNCHING CEREMONY OF THE FESTIVAL OF CANADA IN HONG KONG, SIR DAVID SAID HE WAS DELIGHTED TO HAVE THE OPPORTUNITY TO WELCOME MR MULRONEY TO HONG KONG, NOT LEAST BECAUSE IT ALLOWED HIM TO REPAY SOME OF THE WARMTH AND HOSPITALITY THAT HE WAS SHOWN DURING HIS OWN VISIT TO CANADA ALMOST EXACTLY A YEAR AGO.

SIR DAVID NOTED THAT OVER THE NEXT FEW WEEKS, HONG KONG WAS TO BE TREATED TO AN EXCITING DISPLAY OF THE COLOUR AND VARIETY OF CANADA'S CULTURAL LIFE.

"THERE WILL BE SOMETHING FOR EVERYONE - FROM BUSINESS AND THE ARTS THROUGH SPORTS AND ENTERTAINMENT, TO CULINARY ENJOYMENT," HE SAID.

THE GOVERNOR SAID IT WAS ONLY 12 MONTHS AGO THAT HE DISCUSSED WITH THE PRIME MINISTER IN OTTAWA THE IDEA OF MATCHING FESTIVALS - CANADA IN HONG KONG AND HONG KONG IN CANADA.

"NOW THE IDEA IS ALREADY A REALITY. THOSE WHO HAVE BROUGHT IT TO FRUITION DESERVE CONGRATULATIONS.

"SO DO THOSE IN THE PRIVATE SECTOR WHOSE ENERGY AND GENEROSITY HAVE MADE POSSIBLE THE STAGING OF THIS EXCITING SERIES OF EVENTS," HE SAID.

/SIR DAVID

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SIR DAVID SAID NEXT YEAR, IT WOULD BE HONG KONG'S TURN TO TAKE SOMETHING OF HONG KONG ACROSS THE PACIFIC TO CANADIAN CITIES.

"WE LOOK FORWARD TO THIS EXCHANGE. IT WILL STRENGTHEN THE ALREADY CLOSE RELATIONSHIP BETWEEN OUR TWO COMMUNITIES.

"IT WILL PROVIDE INTEREST AND ENJOYMENT FOR OUR CITIZENS," THE GOVERNOR SAID.

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GOVT INTENDS TO SET UP TRADE OFFICE IN CANADA

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SUBJECT TO THE COMPLETION OF FORMALITIES WITH THE CANADIAN GOVERNMENT, THE HONG KONG GOVERNMENT INTENDS TO ESTABLISH IN TORONTO LATER THIS YEAR A HONG KONG ECONOMIC AND TRADE OFFICE, A GOVERNMENT SPOKESMAN ANNOUNCED TODAY (FRIDAY).

THE SPOKESMAN SAID THE OFFICE WOULD REPRESENT THE HONG KONG GOVERNMENT IN CONDUCTING COMMERCIAL RELATIONS WITH CANADA. IT WOULD ALSO BE RESPONSIBLE FOR INDUSTRIAL PROMOTION AND PUBLIC RELATIONS.

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ECONOMIC SITUATION IN THE FIRST QUARTER OF 1991
AND UPDATED FORECASTS OF GDP AND PRICES FOR 1991

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FOLLOWING THE PICK-UP IN THE FOURTH QUARTER OF 1990, THE ECONOMY CONTINUED TO IMPROVE IN THE FIRST QUARTER OF 1991, ACCORDING TO THE FIRST QUARTER ECONOMIC REPORT PUBLISHED TODAY (FRIDAY).

THE GROWTH IN RE-EXPORTS REMAINED ROBUST, WHILE DOMESTIC EXPORTS SHOWED A MODEST INCREASE, THE REPORT NOTED.

LOCALLY, INVESTMENT DEMAND STRENGTHENED, ALTHOUGH CONSUMPTION DEMAND WAS STILL MODERATE. THE LABOUR MARKET SHOWED SOME SIGNS OF EASING BUT THE RATE OF INFLATION REMAINED HIGH, THE REPORT SAID.

LOCAL INFLATIONARY PRESSURES INTENSIFIED DURING THE FIRST FOUR MONTHS OF 1991, LARGELY DUE TO RECENT INCREASES IN PROPERTY PRICES, PUBLIC TRANSPORT FARES AND FISCAL LEVIES.

THE CONSUMER PRICE INDICES FOR APRIL 1991, WHICH WERE RELEASED TODAY, SHOWED THAT THE CPI(A) ROSE BY 13.9% OVER THE SAME MONTH IN 1990.

COMMENTING ON THE RATE OF INFLATION IN APRIL, THE GOVERNMENT ECONOMIST, MR K Y TANG, SAID: "THE GOVERNMENT HAS BEEN KEEPING A CLOSE WATCH OVER THE INFLATION SITUATION AND IS DEEPLY CONCERNED AT THE ACCELERATING TREND.

"WE ARE DETERMINED TO DO WHAT WE CAN TO ALLEVIATE THE CURRENT INFLATIONARY PRESSURES WITHOUT IMPAIRING MARKET EFFICIENCY AND OUR ECONOMIC VITALITY AND FLEXIBILITY.

"THE FINANCIAL SECRETARY, SIR PIERS JACOBS, WILL MAKE A STATEMENT DURING THE DEBATE ON INFLATION IN THE LEGISLATIVE COUNCIL NEXT WEDNESDAY (MAY 29), HE SAID."

MR TANG SAID THAT ON THE BASIS OF THE LATEST AVAILABLE INFORMATION, A REVIEW HAD BEEN MADE OF THE FORECASTS OF THE GROSS DOMESTIC PRODUCT (GDP) AND OF PRICE TRENDS FOR 1991.

"AS A RESULT OF THIS REVIEW, ADJUSTMENTS WERE MADE TO SEVERAL COMPONENT FORECASTS OF THE GDP, BUT THE FORECAST GROWTH RATE IN REAL TERMS OF THE GDP REMAINS UNCHANGED AT 3.5%," HE SAID.

"THE FORECAST RATE OF INCREASE IN THE CPI(A) IS, HOWEVER, REVISED UPWARDS TO 11%, FROM THE EARLIER FORECAST OF 9.5%, HAVING REGARD TO THE ACTUAL INFLATION FIGURES IN THE FIRST FEW MONTHS OF THIS YEAR," MR TANG SAID.

IN THE FIRST QUARTER OF 1991, DOMESTIC EXPORTS GREW BY ABOUT 2% IN REAL TERMS OVER A YEAR EARLIER.

"THIS INCREASE WAS LARGELY DUE TO THE IMPROVED PRICE COMPETITIVENESS OF HONG KONG'S PRODUCTS AS THE HONG KONG DOLLAR DEPRECIATED ALONG WITH THE US DOLLAR IN THE LATTER PART OF LAST YEAR," MR TANG SAID.

DOMESTIC EXPORTS TO THE VARIOUS MAJOR MARKETS, HOWEVER, SHOWED A MIXED PERFORMANCE. DOMESTIC EXPORTS TO CHINA, GERMANY AND THE UNITED KINGDOM INCREASED, AND THE EARLIER DECLINE IN DOMESTIC EXPORTS TO JAPAN APPEARED TO HAVE STABILIZED SOMEWHAT.

"BUT DOMESTIC EXPORTS TO THE UNITED STATES CONTINUED TO DECLINE," MR TANG POINTED OUT.

"AS A RESULT OF THIS DECLINE, THE SHARE OF THE UNITED STATES IN THE TOTAL VALUE OF DOMESTIC EXPORTS FELL FURTHER, TO 24% IN THE FIRST QUARTER OF 1991, FROM 29% BOTH IN THE FIRST QUARTER OF 1990 AND FOR THE YEAR AS A WHOLE," HE SAID.

THE GROWTH RATE OF RE-EXPORTS REMAINED ROBUST, AT ABOUT 22% IN REAL TERMS IN THE FIRST QUARTER OF 1991 OVER A YEAR EARLIER.

AS RE-EXPORTS CONTINUED TO RISE AT A MUCH FASTER RATE THAN DOMESTIC EXPORTS, THEIR SHARE IN THE TOTAL EXPORTS INCREASED FURTHER, TO 68% IN THE FIRST QUARTER OF 1991, FROM 65% FOR 1990 AS A WHOLE.

"LARGELY SUPPORTED BY THE CONTINUED EXPANSION OF OUTWARD PROCESSING ACTIVITIES ACROSS THE BORDER AND AN IMPROVED DEMAND FOR IMPORTS IN CHINA, RE-EXPORTS TO CHINA CONTINUED TO SURGE, BY 28% IN VALUE TERMS IN THE FIRST QUARTER," MR TANG SAID.

"CHINA REMAINED THE LARGEST MARKET FOR AS WELL AS THE LARGEST SOURCE OF HONG KONG'S RE-EXPORTS, ACCOUNTING FOR 28% AND 58% RESPECTIVELY OF THE TOTAL VALUE OF RE-EXPORTS IN THE FIRST QUARTER OF THIS YEAR," HE ADDED.

IMPORTS ROSE BY ABOUT 18% IN REAL TERMS IN THE FIRST QUARTER OVER A YEAR EARLIER. THE GROWTH RATE OF RETAINED IMPORTS, AT ABOUT 13%, WAS ALSO MARKED.

IT IS NOTABLE THAT, AMONG THE VARIOUS END-USE CATEGORIES, RETAINED IMPORTS OF RAW MATERIALS AND SEMI-MANUFACTURES CONTINUED TO SURGE, WITH A YEAR-ON-YEAR GROWTH RATE OF ABOUT 23% IN REAL TERMS.

A VISIBLE TRADE DEFICIT OF \$9,815 MILLION, EQUIVALENT TO 6% OF THE VALUE OF IMPORTS, WAS RECORDED IN THE FIRST QUARTER OF 1991.

THIS COMPARED WITH A DEFICIT OF \$3,072 MILLION, EQUIVALENT TO 2% OF THE VALUE OF IMPORTS, RECORDED IN THE FIRST QUARTER OF LAST YEAR, MR TANG SAID.

"A LARGER AMOUNT OF RETAINED IMPORTS, PARTICULARLY RAW MATERIALS AND SEMI-MANUFACTURES FOR PRODUCTION, CONTRIBUTED CONSIDERABLY TO THE INCREASED TRADE DEFICIT," HE EXPLAINED.

ON DOMESTIC DEMAND, INVESTMENT INTENTIONS CONTINUED TO REVIVE IN THE FIRST QUARTER OF 1991, AS RETAINED IMPORTS OF CAPITAL GOODS, PARTICULARLY MACHINERY FOR INDUSTRIAL USE, PICKED UP CONSIDERABLY.

"RETAINED IMPORTS OF CAPITAL GOODS ROSE BY ABOUT 8% IN REAL TERMS IN THE FIRST QUARTER OVER A YEAR EARLIER," MR TANG SAID.

CONSUMPTION DEMAND WAS, HOWEVER, STILL MODERATE IN THE FIRST QUARTER OF 1991.

"RETAINED IMPORTS OF CONSUMER GOODS DECLINED BY ABOUT 6% IN REAL TERMS IN THE FIRST QUARTER OVER A YEAR EARLIER, AS THE GULF WAR HAD EXERTED AN ADVERSE IMPACT ON TOURIST SPENDING IN HONG KONG AND PROBABLY ALSO ON LOCAL CONSUMER SENTIMENT.

"NEVERTHELESS, THE DECLINE HAD BECOME SMALLER TOWARDS THE END OF THE QUARTER. ALSO, THE VOLUME OF RETAIL SALES SHOWED A MODEST INCREASE IN JANUARY AND FEBRUARY COMBINED," MR TANG SAID.

CONSUMER PRICE INFLATION TENDED TO ACCELERATE IN THE FIRST QUARTER OF 1991. THE CONSUMER PRICE INDEX (A) REGISTERED A YEAR-ON-YEAR RATE OF INCREASE OF 11.9% IN THE FIRST QUARTER OF 1991.

THE CORRESPONDING INCREASE IN THE PRECEDING QUARTER WAS 10.9%. ON A YEAR-ON-YEAR COMPARISON, THE CPI(A) ROSE BY 10.8% IN JANUARY, 11.9% IN FEBRUARY AND 12.9% IN MARCH.

"THE FASTER INCREASE IN FEBRUARY THAN IN JANUARY WAS MAINLY DUE TO SIGNIFICANT INCREASES IN THE PRICES OF MANY ESSENTIAL FOODSTUFFS AND IN THE CHARGES FOR MEALS AT RESTAURANTS AROUND THE LUNAR NEW YEAR.

"THE FURTHER ACCELERATION IN MARCH WAS LARGELY THE RESULT OF THE INCREASE IN TOBACCO DUTY AND, TO A LESSER EXTENT, THE HIGHER DUTIES ON ALCOHOLIC DRINKS AND PETROL," MR TANG SAID.

ALTHOUGH THE LABOUR MARKET WAS STILL TIGHT IN OVERALL TERMS, A DEGREE OF EASING HAD EMERGED IN RECENT MONTHS.

THE SEASONALLY ADJUSTED UNEMPLOYMENT RATE, AT 1.8% IN THE FIRST QUARTER OF 1991, WAS 0.4 OF A PERCENTAGE POINT HIGHER THAN IN THE PRECEDING QUARTER AND 0.1 OF A PERCENTAGE POINT HIGHER THAN IN THE SAME QUARTER LAST YEAR.

THE UNDEREMPLOYMENT RATE, AT 1.5% IN THE FIRST QUARTER, WAS 0.7 AND 0.8 OF A PERCENTAGE POINT RESPECTIVELY HIGHER THAN IN THE PRECEDING QUARTER AND IN THE SAME QUARTER LAST YEAR.

IN THE FOURTH QUARTER OF 1990, THE PROPORTION OF THE EMPLOYED POPULATION WORKING OVERTIME WAS REDUCED. VACANCIES ALSO DECREASED IN MOST SECTORS.

ON THE RESIDENTIAL PROPERTY MARKET, MR TANG POINTED OUT THE MARKET PICKED UP FURTHER DURING THE FIRST QUARTER. SMALL TO MEDIUM-SIZED RESIDENTIAL FLATS CONTINUED TO ATTRACT KEEN BUYERS' INTEREST.

APART FROM SUPPORT FROM END-USERS, SPECULATIVE INTERESTS WERE ALSO APPARENT. THE DEMAND FOR LARGE RESIDENTIAL FLATS SHOWED SOME IMPROVEMENT.

"THE MARKET FOR SHOPPING SPACE IN THE MAIN SHOPPING AREAS HELD UP WELL. THE MARKET FOR OFFICE SPACE WAS STILL AFFECTED BY OVER-SUPPLY, WHILE THE MARKET FOR INDUSTRIAL PROPERTY REMAINED QUIET," MR TANG SAID.

IN THE FINANCIAL SECTOR, THE FOLLOWING DEVELOPMENTS WERE OBSERVED DURING THE FIRST QUARTER.

- * FIRST, REFLECTING THE APPRECIATION OF THE US DOLLAR DURING THE QUARTER, THE EFFECTIVE EXCHANGE RATE INDEX OF THE HONG KONG DOLLAR ROSE FROM 109.3 AT THE END OF 1990 TO 112.2 AT THE END OF MARCH 1991.
- * SECONDLY, LOCAL MONEY MARKET INTEREST RATES EASED DURING THE FIRST QUARTER, IN LINE WITH THE MOVEMENT IN US DOLLAR INTEREST RATES.
- * THIRDLY, CONSISTENT WITH AN IMPROVED ECONOMIC PERFORMANCE, DOMESTIC LOANS AND ADVANCES REGISTERED FURTHER GROWTH.
- * FOURTHLY, LOCAL SHARE PRICES AND TURNOVER REGISTERED SIGNIFICANT INCREASES DURING THE FIRST QUARTER.

MR TANG SAID IN UPDATING THE GDP AND PRICE FORECASTS FOR 1991 IN THE LIGHT OF THESE DEVELOPMENTS, ADJUSTMENTS WERE MADE TO THE COMPONENT FORECASTS AS APPROPRIATE.

IN THE EXTERNAL SECTOR, DOMESTIC EXPORTS ARE EXPECTED TO INCREASE BY ABOUT 2.5% IN REAL TERMS IN 1991, SAME AS IN THE EARLIER FORECAST.

"ORDERS-ON-HAND CONTINUED TO IMPROVE IN RECENT MONTHS, FOLLOWING DECLINES FOR MANY MONTHS IN 1990," MR TANG SAID.

"CURRENT INFORMATION ON RETAINED IMPORTS OF RAW MATERIALS AND SEMI-MANUFACTURES ALSO SUGGESTS THAT THE IMPROVED PERFORMANCE OF DOMESTIC EXPORTS COULD BE SUSTAINED IN THE NEAR FUTURE.

THE GROWTH RATE IN REAL TERMS OF RE-EXPORTS IS EXPECTED TO REMAIN UNCHANGED AT 15%. CONTINUED EXPANSION IN OUTWARD PROCESSING ACTIVITIES, AN IMPROVED DEMAND IN IMPORTS TO CHINA, AND CHINA'S OWN EXPORT DRIVE ARE THE MAIN FACTORS UNDERLYING THIS FORECAST.

HOWEVER, THERE IS UNCERTAINTY OVER CHINA'S MOST FAVOURED NATION (MFN) STATUS IN THE UNITED STATES.

"IF IT WERE RESCINDED OR RENEWED WITH STRINGENT CONDITIONS AFFECTING US-CHINA TRADE, THERE WOULD BE A SIGNIFICANT ADVERSE IMPACT ON BOTH RE-EXPORTS OF CHINA ORIGIN AND RE-EXPORTS TO CHINA, AND HENCE ON HONG KONG'S OVERALL RE-EXPORTS TRADE," MR TANG SAID.

"GIVEN THIS FORECAST FOR RE-EXPORTS AND FOR RETAINED IMPORTS, THE FORECAST GROWTH RATE IN REAL TERMS OF IMPORTS OF GOODS REMAINS UNCHANGED, AT 10.7%," MR TANG SAID.

THE DEMAND FOR TRADE-RELATED SERVICES SHOULD CONTINUE TO INCREASE IN LINE WITH THE GROWTH IN OVERALL TRADE.

HOWEVER, THE GROWTH IN TOURIST RECEIPTS IS LIKELY TO SLOW DOWN SOMEWHAT, MAINLY REFLECTING THE MARKED DECLINE IN THE FIRST QUARTER OF THIS YEAR.

AS A RESULT, THE FORECAST GROWTH RATE IN REAL TERMS OF EXPORTS OF SERVICES IS LOWERED FROM 6% TO 5%.

MEANWHILE, THE FORECAST GROWTH RATE IN REAL TERMS OF IMPORTS OF SERVICES IS RAISED FROM 7% TO 7.5%, TAKING INTO ACCOUNT THE SIGNIFICANT INCREASE IN EXPENDITURE OF HONG KONG RESIDENTS TRAVELLING ABROAD IN THE FIRST QUARTER.

"WITH THESE DIFFERENTIAL RATES OF INCREASE, A DECLINE IN NET EXPORTS OF SERVICES IS FORECAST FOR THE YEAR AS A WHOLE," MRTANG SAID.

IN THE DOMESTIC SECTOR, HAVING REGARD TO THE POSSIBLE DAMPENING EFFECT OF THE CURRENT HIGH INFLATION RATE ON CONSUMER DEMAND, AND THE EXPECTED LESS RAPID INCREASE IN WAGES AND SALARIES IN THE NEAR FUTURE, CONSUMPTION EXPENDITURE PROBABLY WILL NOT RISE SIGNIFICANTLY IN 1991.

"HOWEVER, THE HIGH TAKE-UP RATE OF RESIDENTIAL FLATS WILL LEAD TO ADDITIONAL SPENDING ON DURABLE GOODS AND HENCE OFFSET SOME OF THE NEGATIVE EFFECTS ON OTHER CONSUMPTION ITEMS.

"THE FORECAST GROWTH RATE IN REAL TERMS OF PRIVATE CONSUMPTION EXPENDITURE IS THUS KEPT UNCHANGED AT 3.5%," MR TANG SAID.

"ON THE OTHER HAND, THE FORECAST GROWTH RATE IN REAL TERMS OF GROSS DOMESTIC FIXED CAPITAL FORMATION IS RAISED FROM 4.6% TO 5.7%, MAINLY REFLECTING THE LARGER INCREASE IN PRIVATE SECTOR EXPENDITURE ON BUILDING AND CONSTRUCTION AS WELL AS ON PLANT AND MACHINERY," MR TANG SAID.

THE FORECAST GROWTH RATES OF GOVERNMENT CONSUMPTION EXPENDITURE, AND OF PUBLIC SECTOR EXPENDITURE ON BUILDING AND CONSTRUCTION AND ON PLANT AND MACHINERY ARE UNCHANGED.

ON INFLATION, MR TANG POINTED OUT THAT WHILE THE REDUCTION IN THE EARLIER INCREASE IN TOBACCO DUTY SHOULD PROVIDE SOME RELIEF, LOCAL INFLATIONARY PRESSURES REMAIN STRONG.

"THE FORECAST OF THE RATE OF INCREASE IN THE CPI(A) FOR 1991 AS A WHOLE IS REVISED UPWARDS FROM 9.5% TO 11%. HOWEVER, SOME MODERATION IN THE INFLATION RATE IS EXPECTED FOR THE LATTER PART OF THE YEAR.

"RELEVANT FACTORS INCLUDE THE RECENT STRENGTHENING OF THE US DOLLAR, LOWER OIL PRODUCT PRICES AFTER THE END OF THE GULF WAR, STABLE WORLD COMMODITY PRICES, LOWER INFLATION IN THE SUPPLIER COUNTRIES OF HONG KONG'S IMPORTS, AND A GENERALLY LESS RAPID INCREASE IN LOCAL WAGES AND SALARIES.

THE FIRST QUARTER ECONOMIC REPORT 1991 WILL BE ON SALE ON MAY 25 AT THE GOVERNMENT PUBLICATIONS CENTRE GROUND FLOOR, GPO BUILDING, CONNAUGHT PLACE, CENTRAL, AT \$23 A COPY.

THE UPDATED FORECASTS ARE AS FOLLOWS :

	FORECAST FOR 1991 AS RELEASED ON 7.3.1991 (%)	CURRENT UPDATE RELEASED ON 24.5.1991 (%)
GROWTH RATE IN REAL TERMS OF :		
PRIVATE CONSUMPTION EXPENDITURE	3.5	3.5
GOVERNMENT CONSUMPTION EXPENDITURE	6	6
GROSS DOMESTIC FIXED CAPITAL FORMATION	4.6	5.7
TRANSFER COSTS OF LAND AND BUILDINGS	5	5
BUILDING AND CONSTRUCTION	5.5	6.7
PRIVATE	4	6
PUBLIC	8	8
REAL ESTATE DEVELOPERS' MARGIN	4.5	6.5
PLANT, MACHINERY AND EQUIPMENT	4	4.5
PRIVATE	3.5	4
PUBLIC	20	20
TOTAL EXPORTS OF GOODS	10.3	10.3
DOMESTIC EXPORTS	2.5	2.5
RE-EXPORTS	15	15
IMPORTS OF GOODS	10.7	10.7
EXPORTS OF SERVICES	6	5
IMPORTS OF SERVICES	7	7.5
GROSS DOMESTIC PRODUCT (GDP)	3.5	3.5
PER CAPITA GDP	2.4	2.4

GROWTH RATE IN MONEY TERMS OF :

GDP	12.3	13.3
PER CAPITA GDP	11.1	12.1

RATE OF INCREASE IN :

GDP DEFLATOR	8.5	9.5
DOMESTIC DEMAND DEFLATOR	9.6	10.5
CONSUMER PRICE INDEX (A)	9.5	11

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CONSUMER PRICE INDEXES FOR APRIL PUBLISHED
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THE 1989/90-BASED CPI(A) AND CPI(B) FOR APRIL 1991 WERE 113.9 AND 113.0 RESPECTIVELY.

COMPARED WITH MARCH 1991, CPI(A) INCREASED BY 1.8% AND CPI(B) BY 1.7%, LARGELY BECAUSE OF HIGHER RENTS FOR SOME PRIVATE AND PUBLIC HOUSING UNITS, HIGHER FARES FOR BUS SERVICE, HIGHER PRICES OF CIGARETTES, HIGHER CHARGES FOR MEALS IN RESTAURANTS AND OTHER EATING PLACES AND HIGHER PRICES OF OUTERCLOTHING AND FRESH VEGETABLES.

USING THE 1984/85-BASED CPI FOR YEAR-ON-YEAR COMPARISON, THE 1984/85-BASED CPI(A) AND CPI(B) FOR APRIL 1991, AT 158.7 AND 156.9 RESPECTIVELY WERE 13.9% AND 13.0% RESPECTIVELY HIGHER THAN IN APRIL 1990.

FOR THE THREE MONTHS ENDING APRIL 1991, THE AVERAGE CPI(A) AND AVERAGE CPI(B) OF THE 1984/85-BASED SERIES INCREASED BY 12.9% AND 12.4% RESPECTIVELY COMPARED WITH THE THREE MONTHS ENDING APRIL 1990.

FOR THE 12 MONTHS ENDING APRIL 1991, THE CORRESPONDING INCREASES WERE 10.8% AND 10.7% HIGHER COMPARED WITH THE 12 MONTHS ENDING APRIL 1990.

THE FASTER RATES OF INCREASE RECORDED IN APRIL WERE MAINLY DUE TO THE EFFECT OF THE RECENT INCREASE IN THE PRICES OF CIGARETTES AS WELL AS THE CUMULATIVE IMPACT OF HIGHER CHARGES FOR MEALS IN RESTAURANTS AND OTHER EATING PLACES AND HIGHER RENTS FOR HOUSING.

EXCLUDING THE EFFECT OF THE PRICE INCREASE IN CIGARETTES, THE CPI(A) AND CPI(B) FOR APRIL 1991 WERE BOTH 11.7% HIGHER THAN IN APRIL 1990.

THE REDUCTION OF THE RATE OF INCREASE FOR TOBACCO DUTY FROM 200% TO 100% HAS TAKEN EFFECT FROM MAY 18, 1991 AND IS EXPECTED TO HAVE A MODERATING INFLUENCE ON THE CPI IN JUNE 1991.

ON A YEAR-ON-YEAR COMPARISON, FASTER RATES OF INCREASE IN THE 1984/85-BASED CPI(A) IN APRIL 1991 WERE RECORDED IN THE INDEXES FOR ALCOHOLIC DRINKS AND TOBACCO FOR HOME CONSUMPTION (81.4%), TRANSPORT AND VEHICLES (16.3%), HOUSING (14.3%) AND SERVICES (14.0%).

THE CORRESPONDING RATES OF INCREASE FOR THE SAME COMPONENTS IN THE 1984/85-BASED CPI(B) WERE 75.7%, 16.3%, 13.6% AND 12.8% RESPECTIVELY.

THE INDEX FOR FOODSTUFFS, WHICH HAS THE LARGEST WEIGHTING IN THE INDEX, INCREASED BY 11.9% IN CPI(A) AND BY 12.3% IN CPI(B).

THESE FIVE COMPONENTS TOGETHER ACCOUNTED FOR 90% OF THE OVERALL INCREASE IN THE CPI(A) AND 89% OF THE INCREASE IN THE CPI(B).

/DURING THE

DURING THE THREE-MONTH PERIOD ENDING APRIL 1991, THE SEASONALLY ADJUSTED CPI(A) AND CPI(B) OF THE 1989/90-BASED SERIES INCREASED AT AN AVERAGE RATE OF 1.5% AND 1.3% PER MONTH RESPECTIVELY.

THE 1989/90-BASED CONSUMER PRICE INDEXES ARE BASED ON THE EXPENDITURE PATTERNS DERIVED FROM THE 1989/90 HOUSEHOLD EXPENDITURE SURVEY.

THE CPI(A) IS BASED ON THE EXPENDITURE PATTERN OF ABOUT 50% OF URBAN HOUSEHOLDS IN HONG KONG, WHICH HAD AN AVERAGE MONTHLY EXPENDITURE OF \$2,500-\$9,999 A MONTH IN 1989/90.

THE CPI(B) IS BASED ON THE EXPENDITURE PATTERN OF THE NEXT 30% OF URBAN HOUSEHOLDS, WHICH HAD AN AVERAGE MONTHLY EXPENDITURE OF \$10,000-\$17,499 IN THE SAME PERIOD.

PRICE MOVEMENTS DESCRIBED BELOW ARE BASED ON THE 1989/90-BASED CPI SERIES.

CHANGES IN THE INDEXES FOR APRIL 1991 IN RESPECT OF THE NINE COMMODITY/SERVICE SECTIONS IN THE TWO CONSUMER PRICE INDEXES, AS COMPARED WITH MARCH 1991 ARE GIVEN BELOW.

SECTION	(OCTOBER 1989 TO SEPTEMBER 1990 = 100) CPI(A)		CPI(B)	
	INDEX FOR APR 91	% CHANGE OVER MAR 91	INDEX FOR APR 91	% CHANGE OVER MAR 91
FOODSTUFFS	112.5	+0.8	113.2	+0.8
MEALS BOUGHT AWAY	115.4	+1.0	115.2	+1.0
FROM HOME				
FOODSTUFFS, EXCLUDING	109.7	+0.6	110.3	+0.5
MEALS BOUGHT AWAY				
FROM HOME				
HOUSING	114.9	+2.3	114.2	+1.9
FUEL AND LIGHT	109.1	-1.7	108.8	-1.5
ALCOHOLIC DRINKS	180.2	+8.6	162.5	+7.2
AND TOBACCO (FOR				
HOME CONSUMPTION)				
CLOTHING AND	109.2	+6.7	110.4	+7.5
FOOTWEAR				
DURABLE GOODS	104.4	+0.2	104.1	+0.2
MISCELLANEOUS GOODS	107.1	+0.4	106.5	+0.3
TRANSPORT AND	115.1	+4.5	115.1	+3.1
VEHICLES				
SERVICES	112.7	+0.6	111.6	+0.7
ALL ITEMS	113.9	+1.8	113.0	+1.7

COMPARING APRIL 1991 WITH MARCH 1991, THE INDEX FOR FOODSTUFFS INCREASED BY 0.8% IN BOTH CPI(A) AND CPI(B). THIS WAS MAINLY DUE TO INCREASES IN THE CHARGES FOR MEALS IN RESTAURANTS AND OTHER EATING PLACES AND IN THE RETAIL PRICES OF FRESH VEGETABLES.

THE INDEX FOR HOUSING INCREASED BY 2.3% IN CPI(A) AND BY 1.9% IN CPI(B) DUE TO HIGHER RENTS FOR SOME PRIVATE DWELLINGS AND FOR SOME FLATS IN HOUSING AUTHORITY AND HOUSING SOCIETY ESTATES.

THE INDEX FOR FUEL AND LIGHT DECREASED BY 1.7% IN CPI(A) AND BY 1.5% IN CPI(B) AS A RESULT OF LOWER PRICES OF LIQUEFIED PETROLEUM GAS AND KEROSENE AS WELL AS THE DOWNWARD FUEL COST ADJUSTMENT FOR TOWN GAS.

THE INDEX FOR ALCOHOLIC DRINKS AND TOBACCO (FOR HOME CONSUMPTION) INCREASED BY 8.6% IN CPI(A) AND BY 7.2% IN CPI(B) DUE TO HIGHER PRICES OF CIGARETTES AND ALCOHOLIC DRINKS ARISING FROM THE RECENT INCREASE IN DUTIES.

THE INDEX FOR CLOTHING AND FOOTWEAR INCREASED BY 6.7% IN CPI(A) AND BY 7.5% IN CPI(B) BECAUSE OF HIGHER PRICES OF OUTER CLOTHING AS THE CLEARANCE SALES OF SOME DEPARTMENT STORES AND FASHION SHOPS HAD ENDED IN APRIL.

THE INDEX FOR TRANSPORT AND VEHICLES INCREASED BY 4.5% IN CPI(A) AND BY 3.1% IN CPI(B) AS A RESULT OF AN INCREASE IN BUS FARES.

FIGURES HEREIN REFER TO CPI SERIES NOT SEASONALLY ADJUSTED UNLESS OTHERWISE SPECIFIED. ALL PERCENTAGE CHANGES ARE DERIVED FROM CPI FIGURES TAKEN TO MORE THAN ONE DECIMAL PLACE.

THE CENSUS AND STATISTICS DEPARTMENT WILL CONTINUE TO RELEASE THE NEW SERIES OF 1989/90-BASED CPI(A) AND CPI(B) IN PARALLEL WITH THE 1984/85-BASED CPI(A) AND CPI(B) UNTIL MARCH 1992, AFTER WHICH THE LATTER SERIES WILL BE DISCONTINUED.

MORE DETAILS ARE GIVEN IN THE "CONSUMER PRICE INDEX REPORT" FOR APRIL 1991, WHICH IS AVAILABLE AT \$7 PER COPY FROM THE GOVERNMENT PUBLICATIONS CENTRE, GROUND FLOOR, GPO BUILDING, CONNAUGHT PLACE, CENTRAL; OR FROM THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER 1, 12 HARBOUR ROAD, WAN CHAI; OR FROM THE INFORMATION SERVICES DEPARTMENT, FRENCH MISSION BUILDING, 1 BATTERY PATH, CENTRAL FOR LOCAL AND OVERSEAS MAILINGS.

ENQUIRIES ABOUT THE INDEXES CAN BE DIRECTED TO THE CONSUMER PRICE INDEX SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL. 805 6403.

THE 1989/90-BASED HANG SENG CPI WAS 112.0 IN APRIL 1991, UP BY 1.1% OVER MARCH 1991. THE 1984/85-BASED HANG SENG CPI WAS 164.9 IN APRIL 1991, UP BY 11.9% OVER APRIL 1990.

THE CORRESPONDING INCREASE IN THE THREE MONTHS ENDING APRIL 1991 WAS 12.3% AND IN THE 12 MONTHS ENDING APRIL 1991 WAS 11.7%.

THE 1989/90-BASED HANG SENG CPI IS BASED ON THE EXPENDITURE PATTERN OF ABOUT 10% OF URBAN HOUSEHOLDS IN HONG KONG WHICH SPENT \$17,500-\$37,499 A MONTH DURING 1989/90.

FURTHER DETAILS REGARDING THIS INDEX ARE INCLUDED IN THE HANG SENG CPI REPORT ISSUED BY THE ECONOMIC RESEARCH DEPARTMENT OF HANG SENG BANK LTD.

FRIDAY, MAY 24, 1991

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FS WELCOMES DECISION TO INCREASE INTEREST RATES

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THE FINANCIAL SECRETARY, SIR PIERS JACOBS, WELCOMED THE DECISION TAKEN THIS (FRIDAY) AFTERNOON BY THE HONG KONG ASSOCIATION OF BANKS TO INCREASE DEPOSIT INTEREST RATES BY ONE PERCENTAGE POINT ACROSS THE BOARD. HE ALSO WELCOMED THE DECISION BY MAJOR BANKS IN HONG KONG CORRESPONDINGLY TO INCREASE THEIR BEST LENDING RATE BY ONE PERCENTAGE POINT.

SIR PIERS SAID THAT THIS WAS A CORRECT AND TIMELY RESPONSE TO THE HIGH RATE OF INFLATION BEING EXPERIENCED IN HONG KONG.

EARLIER TODAY, THE OFFICE OF THE EXCHANGE FUND AT THE INSTRUCTION OF THE FINANCIAL SECRETARY, HAD ALSO TAKEN MONEY OUT OF THE INTERBANK MARKET AND PUSHED INTERBANK INTEREST RATES HIGHER.

"THIS MOVE IS PART OF A PACKAGE OF MEASURES SEEKING TO ALLEVIATE THE CURRENT INFLATIONARY PRESSURES," SIR PIERS SAID, AHEAD OF A MOTION DEBATE ON INFLATION SCHEDULED TO TAKE PLACE IN THE LEGISLATIVE COUNCIL NEXT WEDNESDAY.

"I EXPECT TO BE ABLE TO ANNOUNCE OTHER MEASURES DURING THE COURSE OF THAT DEBATE," HE ADDED.

RESPONDING TO ENQUIRIES, SIR PIERS SAID HE DID NOT EXPECT THE INCREASE IN INTEREST RATES TODAY TO HAVE A DESTABILISING EFFECT ON THE EXCHANGE RATE, WHICH REMAINED FIRMLY LINKED TO THE U.S. DOLLAR AT 7.80.

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HK-NEW ZEALAND MEMORANDUM SIGNED ON LAB ACCREDITATION SCHEMES

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THE HONG KONG LABORATORY ACCREDITATION SCHEME (HOKLAS) AND THE TESTING LABORATORY REGISTRATION COUNCIL OF NEW ZEALAND (TELARC) TODAY (FRIDAY) SIGNED A MEMORANDUM OF UNDERSTANDING (MOU) TO MUTUALLY RECOGNISE EACH OTHER'S LABORATORY ACCREDITATION SCHEMES.

THE MEMORANDUM WAS SIGNED BY THE DIRECTOR OF INDUSTRY, MR T.H. BARMA; THE ASSISTANT DIRECTOR OF INDUSTRY (QUALITY), MR ERNEST EVANS; AND THE DIRECTOR OF TELARC, DR J.H. GARSIDE.

MR BARMA SAID THE SIGNING OF THE MOU WOULD FURTHER IMPROVE THE STATUS OF HOKLAS IN THE INTERNATIONAL COMMUNITY OF LABORATORY ACCREDITATION SCHEMES.

HE SAID THIS WAS THE FOURTH MUTUAL RECOGNITION AGREEMENT WITH AN OVERSEAS LABORATORY ACCREDITATION SCHEME.

SIMILAR AGREEMENTS HAD BEEN SIGNED WITH THE NATIONAL MEASUREMENT ACCREDITATION SERVICE (NAMAS) OF THE UK, THE NATIONAL ASSOCIATION OF TESTING AUTHORITIES (NATA) OF AUSTRALIA AND THE AMERICAN ASSOCIATION FOR LABORATORY ACCREDITATION (A2LA).

/"UNDER THESE

"UNDER THESE AGREEMENTS, TEST CERTIFICATES ISSUED BY HOKLAS ACCREDITED LABORATORIES WILL HAVE THE SAME VALIDITY AS TEST CERTIFICATES ISSUED BY LABORATORIES ACCREDITED BY THE OVERSEAS SCHEMES," MR BARMA SAID.

HE SAID NAMAS, NATA, A2LA AND TELARC WERE LEADERS OF LABORATORY ACCREDITATION IN THE WORLD AND HONG KONG WAS PROUD THAT EACH OF THEM HAD ACCEPTED HOKLAS AS A SCHEME OF EQUIVALENT STANDING.

"INDEED, HOKLAS IS THE ONLY ACCREDITATION SCHEME IN ASIA WHICH HAS SUCCESSFULLY ACHIEVED AGREEMENTS WITH THESE MAJOR SCHEMES.

"THIS GIVES AN INDICATION OF THE IMPORTANCE THE GOVERNMENT IS ATTACHING TO THE PROMOTION OF QUALITY IN INDUSTRY AND THE ACCEPTANCE OF OUR TEST CERTIFICATES OVERSEAS," HE SAID.

MR BARMA SAID MUTUAL RECOGNITION AGREEMENTS HAD AN IMPORTANT ROLE TO PLAY IN INTERNATIONAL TRADE.

THEY PROMOTED CONFIDENCE AND WIDER ACCEPTANCE OF TEST RESULTS AND REDUCED THE NEED FOR RE-TESTING.

TESTING AND ACCREDITATION WERE INCREASINGLY BEING MADE MANDATORY BY LEGISLATORS AND BEING DEMANDED BY BUYERS ALL OVER THE WORLD, HE SAID.

"FOR HONG KONG TO SUCCEED AS A MAJOR EXPORTER IN THE WORLD MARKET, IT IS VITAL THAT WE CONTINUE TO UPGRADE OUR LABORATORIES THROUGH ACCREDITATION, AND PROMOTE THE ACCEPTANCE OF OUR TEST CERTIFICATES AS WIDELY AS POSSIBLE," MR BARMA SAID.

HE SAID TELARC WAS THE FIRST LABORATORY ACCREDITATION SCHEME IN THE WORLD TO PROVIDE TRAINING COURSES ON LABORATORY MANAGEMENT AND LABORATORY SYSTEMS AUDITING, AND TO HAVE EXPANDED BEYOND LABORATORY ACCREDITATION INTO SYSTEMS ACCREDITATION, PRODUCT CERTIFICATION AND ENVIRONMENTAL-FRIENDLY LABELLING.

"THIS MEMORANDUM OF UNDERSTANDING FOR THE MUTUAL RECOGNITION OF TEST CERTIFICATES WILL ESTABLISH FOR HOKLAS A FORMAL LINK WITH TELARC.

"NO DOUBT WE WILL ALSO CONTINUE TO BENEFIT FROM THEIR EXPERIENCES AND EXPERTISE IN LABORATORY ACCREDITATION," HE SAID.

ALSO SPEAKING AT THE SIGNING CEREMONY, DR GARSIDE SAID THE MOU REPRESENTED CONFIDENCE BY EACH PARTY IN WHAT THE OTHER PARTY WAS DOING.

"IT MEANS THAT TESTING AND CALIBRATION LABORATORIES ACCREDITED BY HOKLAS, IF THEY WERE TO BE ASSESSED BY TELARC, WOULD BE FOUND TO CONFORM TO THE REQUIREMENTS FOR ACCREDITATION BY TELARC, AND SIMILARLY, TELARC ACCREDITED LABORATORIES IN NEW ZEALAND WOULD CONFORM, TO THE REQUIREMENTS OF HOKLAS.

"WHAT THIS MEANS IS THAT TEST DATA FROM HOKLAS ACCREDITED LABORATORIES CAN BE VIEWED WITH THE SAME CONFIDENCE AS THAT FROM A TELARC REGISTERED LABORATORY," HE SAID.

/DR GARSIDE

DR GARSIDE SAID THIS WAS PARTICULARLY IMPORTANT IN THE TRADING OF GOODS BETWEEN NEW ZEALAND AND HONG KONG.

"GOODS WHICH ARE SUPPORTED BY TEST DOCUMENTS ISSUED BY A HOKLAS ACCREDITED LABORATORY SHOULD NOT REQUIRE ANY RETESTING TO CONFIRM THEIR CONFORMANCE TO PARTICULAR REQUIREMENTS, AND VICE VERSA.

"THIS WILL MAKE THE TRADING OF GOODS MORE ECONOMIC AND IS CONSISTENT WITH THE REQUIREMENTS OF THE GATT STANDARDS CODE," HE SAID.

HOKLAS AND TELARC ARE TWO LABORATORY ACCREDITATION SCHEMES WITH THE MAIN PURPOSE OF GRANTING FORMAL RECOGNITION TO TESTING AND CALIBRATION LABORATORIES WHICH ARE FOUND COMPETENT TO CARRY OUT SPECIFIC TESTS OR CALIBRATIONS, OR TYPES OF TESTS OR CALIBRATIONS.

HOKLAS WAS FORMALLY ESTABLISHED IN MAY 1985 AND AT PRESENT HOKLAS IS GIVING PRIORITY TO ACCREDITATION UNDER EIGHT COMMODITY GROUPS, NAMELY, "ELECTRICAL AND ELECTRONIC", "TEXTILES AND GARMENTS", "TOYS", "FOOD", "CALIBRATION SERVICES", "CONSTRUCTION MATERIALS", "ENVIRONMENTAL TESTING" AND "CHEMICAL TESTING".

TELARC OF NEW ZEALAND IS A GOVERNMENT-SUPPORTED, STATUTORY BODY ESTABLISHED IN 1972 BY ACT OF PARLIAMENT TO ORGANISE AN ON-GOING ACCREDITATION PROGRAMME FOR TESTING LABORATORIES. IN 1983, TELARC'S RESPONSIBILITIES WERE EXTENDED TO INCLUDE THE ACCREDITATION OF QUALITY ASSURANCE SYSTEMS IN COMPANIES.

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CONSULTANCY AGREEMENT FOR ROAD TESTING PROGRAMME SIGNED

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THE HIGHWAYS DEPARTMENT WILL SOON CARRY OUT A \$10 MILLION ROAD TESTING PROGRAMME TO UPDATE THE DATA ON ROAD CONDITIONS, FORMULATE ROAD MAINTENANCE STRATEGIES AND DEVELOP A SPECIFIC DESIGN FOR LOCAL ROADS.

AT THE SIGNING CEREMONY OF THE CONSULTANCY AGREEMENT ON THE ROAD TESTING PROGRAMME TODAY (FRIDAY), THE DEPUTY DIRECTOR OF HIGHWAYS, MR TANG KWOK-KEE SAID IN 1985 THE HIGHWAYS DEPARTMENT HAD CARRIED OUT A SURVEY ON BITUMINOUS ROADS THROUGHOUT THE TERRITORY WHICH CONTRIBUTED TO THE FORMULATION OF MAINTENANCE, REHABILITATION AND RECONSTRUCTION STRATEGIES FOR THE HONG KONG ROADS.

MR TANG SAID: "THIS INFORMATION IS NOW LARGELY OUTDATED. UNDER THIS CONSULTANCY THE DEPARTMENT INTENDS TO UPDATE THE PREVIOUS WORK BY CONDUCTING FURTHER TESTS ON BOTH THE BITUMINOUS AND CONCRETE ROADS WITH A VIEW TO REVISING THE STRUCTURAL DESIGN OF ROADS ACCORDING TO CHANGING NEEDS. THIS WILL HELP SAVE COSTS IN ROAD MAINTENANCE."

HE SAID THE CONSULTANCY AGREEMENT SIGNED TODAY WOULD INVOLVE A SERIES OF ON-SITE ROAD TESTING EVALUATIONS LASTING SIX MONTHS.

/THESE EVALUATIONS

THESE EVALUATIONS INCLUDED VISUAL INSPECTION OF 765-KILOMETRES OF ROAD COVERING ALL MAJOR ROUTES -- MORE THAN HALF OF ALL ROADS IN HONG KONG.

IN ADDITION, A SERIES OF TESTS WOULD BE CARRIED OUT ON ROADS TOTALLING 600 KILOMETRES IN LENGTH, TO FIND OUT THEIR REMAINING LIFE SPAN.

DATA GATHERED WOULD BE PUT INTO A COMPUTERISED ROAD MANAGEMENT INFORMATION SYSTEM WHICH COULD PRODUCE A COST-EFFECTIVE LONG-TERM MAINTENANCE PLAN.

THE CONSULTANCY AGREEMENT WAS AWARDED TO HALCROW ASIA PARTNERSHIP LTD.

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AMENDMENT ORDINANCE PLUGS GAPS IN HK'S TRADE MARKS LAW
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AN AMENDMENT ORDINANCE HAS BEEN ENACTED TO PLUG GAPS IN HONG KONG'S EXISTING LAW ON TRADE MARKS.

COMMENTING ON THE TRADE MARKS (AMENDMENT) ORDINANCE 1991, WHICH WAS GAZETTED TODAY (FRIDAY), THE DIRECTOR OF INTELLECTUAL PROPERTY, MISS ALICE TAI, SAID HONG KONG HAD EXPANDED ITS LAW TO PROVIDE FOR THE PROTECTION OF TRADE MARKS USED IN CONNECTION WITH SERVICES.

SHE SAID THE NEW LAW WOULD COME INTO EFFECT ON A DAY TO BE APPOINTED BY THE GOVERNOR, PROBABLY NEXT MARCH.

SHE SAID THE GRACE PERIOD WAS NECESSARY TO ALLOW THE TRADE MARKS REGISTRY TO PREPARE FOR THE CHANGES, AND FOR THE PROFESSION AND TRADERS TO FAMILIARISE THEMSELVES WITH THE NEW LAW.

"THE NEW LAW ALSO PROVIDES THAT THE DEPARTMENT CAN ACCEPT APPLICATIONS NOT MORE THAN FOUR MONTHS BEFORE THE DATE WHEN IT COMES INTO EFFECT," MISS TAI SAID.

"THE LEAD-IN PERIOD IS NEEDED TO PREVENT A HUGE INFLUX OF APPLICATIONS ON ONE DAY," SHE SAID.

APPLICATIONS FILED DURING THE LEAD-IN PERIOD WOULD ALL BE DATED WITH THE COMMENCEMENT DATE.

PREVIOUSLY, THE LAW ONLY ALLOWED FOR THE REGISTRATION OF TRADE MARKS FOR USE ON GOODS. THE SERVICES SECTOR HAD BECOME MORE IMPORTANT IN THE ECONOMY, AND IT HAD BEEN NECESSARY TO UPDATE THE LAW, MISS TAI SAID.

"OTHER COUNTRIES WORLDWIDE HAVE ALSO INTRODUCED LAWS TO ALLOW FOR THE REGISTRATION OF TRADE MARKS FOR SERVICES," SHE SAID.

"THERE IS A GREAT DEMAND FOR THE REGISTRATION OF SERVICE MARKS."

SHE SAID THE LAST STATISTICS AVAILABLE SHOWED THAT THE SERVICES SECTOR CONTRIBUTED ALMOST 68 PER CENT OF GROSS DOMESTIC PRODUCT (GDP) AND ABOUT 57 PER CENT OF EMPLOYMENT IN HONG KONG.

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NOTE TO EDITORS:

MEDIA REPRESENTATIVES WHO MAY HAVE FURTHER ENQUIRIES ON THE TRADE MARKS (AMENDMENT) ORDINANCE 1991 CAN CONTACT THE DEPUTY DIRECTOR OF INTELLECTUAL PROPERTY, MISS AVERIL WATERS (TEL. NO. 737 2603), OR THE CHIEF INTELLECTUAL PROPERTY EXAMINER OF THE DEPARTMENT, MISS MAMIE CHAN (TEL. NO. 737 2626).

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EXCO APPROVES CONTROLS OVER MUNITIONS TRANSIT

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PROPOSALS TO AMEND THE IMPORT AND EXPORT ORDINANCE AND SUBSIDIARY LEGISLATION, WHICH WILL INTRODUCE CONTROLS OVER WEAPONS AND RELATED ITEMS IN TRANSIT THROUGH HONG KONG, HAVE BEEN APPROVED BY THE EXECUTIVE COUNCIL.

THE PROPOSED CONTROLS WOULD REQUIRE LICENSING OF SPECIFIED MUNITIONS, TOGETHER WITH ITEMS FOR USE RELATING TO NUCLEAR, CHEMICAL AND BIOLOGICAL WEAPONS, BEFORE THEY TRANSIT HONG KONG.

A LICENCE IS ALREADY REQUIRED FOR THE IMPORT, EXPORT AND TRANSHIPMENT OF THESE ITEMS.

OTHER GOODS IN TRANSIT WILL REMAIN FREE FROM CONTROL.

THE OZONE LAYER PROTECTION ORDINANCE WILL ALSO BE AMENDED SO THAT SUBSTANCES CONTROLLED UNDER THAT ORDINANCE WILL NOT COME UNDER CONTROL WHILE TRANSITING HONG KONG.

THE PROPOSALS INCLUDE AMENDMENTS TO BRING POTENTIAL CHEMICAL WEAPONS PRECURSORS UNDER IMPORT AS WELL AS EXPORT CONTROL.

THE IMPORT AND EXPORT (AMENDMENT) (NO. 2) BILL 1991 AND THE OZONE LAYER PROTECTION (AMENDMENT) BILL 1991 ARE PUBLISHED IN THE GAZETTE TODAY (FRIDAY).

A TRADE DEPARTMENT SPOKESMAN SAID THE PROPOSED NEW CONTROLS WERE A PREVENTATIVE MEASURE IN LINE WITH INTERNATIONAL EFFORTS TO CHECK THE PROLIFERATION OF NUCLEAR, CHEMICAL, BIOLOGICAL AND OTHER WEAPONS.

"AT PRESENT, THERE IS NO INDICATION THAT WEAPONS OF THE TYPE TO BE CONTROLLED IN TRANSIT ARE BEING SHIPPED THROUGH HONG KONG," HE SAID.

THE SPOKESMAN SAID THE MAIN PURPOSE OF THE PROPOSALS WAS TO ENABLE THE CUSTOMS AND EXCISE DEPARTMENT TO ACT ON INFORMATION ABOUT MUNITIONS TRANSITING HONG KONG IF THE NEED AROSE.

"THE CHANGES SHOULD BE ACCEPTABLE TO TRADE AND SHIPPING INTERESTS BECAUSE THE RANGE OF ITEMS TO BE BROUGHT UNDER CONTROL IS VERY NARROW," HE SAID.

THE TRADE DEPARTMENT HAS BRIEFED SHIPPING AND AIRLINE COMPANIES ABOUT THE PROPOSALS.

ENQUIRIES MAY BE MADE WITH TRADE LICENSING (NON-TEXTILES) BRANCH, TRADE DEPARTMENT, FIFTH FLOOR, TRADE DEPARTMENT TOWER, 700, NATHAN ROAD, MONG KOK, KOWLOON (TELEPHONE NUMBER 398 5571 OR 398 5572).

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IMPROVEMENTS TO LONG SERVICE PAYMENT SCHEME PROPOSED

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THE GOVERNMENT PROPOSES TO IMPROVE THE LONG SERVICE PAYMENT (LSP) SCHEME BY STANDARDISING THE PROVISIONS RELATING TO THE RATES OF PAYMENT AND THE LENGTH OF QUALIFYING SERVICE FOR ALL EMPLOYEES.

UNDER THE EMPLOYMENT (AMENDMENT) BILL 1991 PUBLISHED IN THE GAZETTE TODAY (FRIDAY), SOME EMPLOYEES WHO ARE NOT ENTITLED TO ANY LSP AT PRESENT WILL BECOME SO ENTITLED.

FOR INSTANCE, AN EMPLOYEE AGED 35 AND WITH FIVE YEARS' SERVICE IS AT PRESENT NOT ENTITLED TO ANY PAYMENT BUT WILL RECEIVE 1.25 MONTHS' PAY IN THE FIRST YEAR OF THE NEW ARRANGEMENT.

ANOTHER EXAMPLE IS THAT AN EMPLOYEE AGED 40 AND WITH NINE YEARS' SERVICE GETS NO LSP AT PRESENT BUT WILL RECEIVE PAYMENT EQUIVALENT TO 5.4 MONTHS' PAY UNDER THE BILL.

THE EXISTING DIFFERENTIAL RATES OF LSP BASED ON AGE WILL BE REMOVED OVER A TWO-YEAR PERIOD, SO THAT ALL ELIGIBLE EMPLOYEES WILL EVENTUALLY BE ENTITLED TO THE FULL RATE OF PAYMENT.

AT PRESENT, EMPLOYEES WHO HAVE THE QUALIFYING SERVICE FOR LSP BUT WHO ARE AGED BETWEEN 36 AND 40 RECEIVE ONLY 75 PER CENT OF THE FULL RATE, WHILE THOSE AGED BELOW 36 RECEIVE ONLY 50 PER CENT.

UNDER THE AMENDMENT BILL, THE RATE WILL BE INCREASED FOR EMPLOYEES AGED BETWEEN 36 AND 40 TO 100 PER CENT AND FOR THOSE AGED BELOW 36 TO 75 PER CENT IN THE FIRST YEAR. BOTH WILL BE 100 PER CENT IN THE FOLLOWING YEAR. THE RATE FOR EMPLOYEES AGED 40 IS ALREADY AT 100 PER CENT.

ANOTHER PROPOSED IMPROVEMENT IS THAT AN EMPLOYEE WILL BECOME ENTITLED TO PART OF THE PAYMENT IF HE HAS COMPLETED FIVE YEARS' SERVICE BUT LESS THAN THE CURRENT QUALIFYING LENGTH OF SERVICE. HIS ENTITLEMENT WILL INCREASE IN PROPORTION TO HIS LENGTH OF SERVICE.

DETAILS OF THE PROPOSAL ARE SET OUT BELOW:

AGE OF EMPLOYEE	YEARS OF SERVICE AND % OF ENTITLEMENT					
	5	6	7	8	9	10 OR ABOVE
BELOW 41	50%	60%	70%	80%	90%	100%
41	50%	60%	70%	80%	100%	100%
42	50%	60%	70%	100%	100%	100%
43	50%	60%	100%	100%	100%	100%
44	50%	100%	100%	100%	100%	100%
45 OR OVER	100%	100%	100%	100%	100%	100%

THE PROPOSAL WILL ENABLE YOUNG WORKERS TO BECOME ENTITLED TO THE LSP EARLIER, WHILE ENSURING THAT THEIR ENTITLEMENTS WILL NOT BE REDUCED BECAUSE OF THEIR AGE.

THE AMOUNT OF LUMP SUM PAYMENT WILL CONTINUE TO BE CALCULATED AT TWO-THIRDS OF THE EMPLOYEE'S LAST FULL MONTH'S WAGES FOR EVERY YEAR OF SERVICE, SUBJECT TO A MAXIMUM OF 12 MONTHS' WAGES.

FOR EMPLOYEES EARNING MORE THAN \$15,000 A MONTH, THEIR ENTITLEMENT WILL REMAIN TO BE CALCULATED AS IF THEY WERE EARNING \$15,000, AND THE MAXIMUM AMOUNT PAYABLE WILL BE \$180,000 FOR AN EMPLOYEE WITH 18 OR MORE YEARS' SERVICE.

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EXPRESSWAY BILL GAZETTED

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THE ROAD TRAFFIC (AMENDMENT) (NO. 3) BILL 1991 WHICH PROVIDES FOR THE DESIGNATION OF CERTAIN ROADS AS EXPRESSWAYS AND ENABLES THE INTRODUCTION OF NEW DRIVING RULES ON SUCH EXPRESSWAYS, WAS GAZETTED TODAY (FRIDAY).

A GOVERNMENT SPOKESMAN SAID THE BILL WAS EXPECTED TO BE INTRODUCED INTO THE LEGISLATIVE COUNCIL EARLY NEXT MONTH.

IT IS INTENDED THAT THE NEW LEGISLATION, IF PASSED BY THE LEGISLATURE, WOULD COME INTO EFFECT FROM OCTOBER THIS YEAR TO ENHANCE ROAD SAFETY AND TO MAINTAIN SMOOTH TRAFFIC FLOW ALONG EXPRESSWAYS.

THE SPOKESMAN SAID THE ROAD TRAFFIC (EXPRESSWAY) REGULATIONS 1991 SPELL OUT NEW DRIVING RULES ON ROADS DESIGNATED AS EXPRESSWAYS. THESE RULES INCLUDE:

- * MOTORISTS MUST KEEP THEIR VEHICLES TO THE EXTREME LEFT LANE OF AN EXPRESSWAY UNLESS OVERTAKING OTHER VEHICLES AND THEY SHOULD OVERTAKE ONLY ON THE RIGHT HAND SIDE OF THE OTHER VEHICLES;

- * CERTAIN LARGE VEHICLES SUCH AS MEDIUM AND HEAVY GOODS VEHICLES AND BUSES TO BE PROHIBITED FROM USING THE EXTREME RIGHT HAND LANE OF AN EXPRESSWAY WHERE THERE ARE THREE OR MORE TRAFFIC LANES;
- * NO STOPPING OR PARKING OF VEHICLE ON ANY PART OF AN EXPRESSWAY EXCEPT FOR EMERGENCIES, AND IN THESE SITUATIONS, THE HAZARD WARNING LIGHTS OR OTHER REASONABLE MEASURES TO WARN MOTORISTS SHOULD BE USED AND THE VEHICLES SHOULD BE MOVED OFF THE CARRIAGEWAY AS SOON AS PRACTICABLE;
- * CERTAIN VEHICLES SUCH AS SPECIAL PURPOSE VEHICLES, PUBLIC LIGHT BUSES, AND VEHICLES WITH ENGINE CAPACITY UNDER 125 C.C. TO BE PROHIBITED FROM USING THE EXPRESSWAY UNLESS PRIOR PERMISSION HAS BEEN OBTAINED FROM THE COMMISSIONER FOR TRANSPORT;
- * DRIVING ON THE VERGE OF THE CENTRAL RESERVATION OF AN EXPRESSWAY TO BE PROHIBITED EXCEPT AS DIRECTED DURING TRAFFIC DIVERSIONS OR EMERGENCIES. THE BOUNDARIES OF THE VERGE AND CENTRAL RESERVATION ARE INDICATED BY A CONTINUOUS WHITE LINE.

THE SPOKESMAN SAID LEARNER DRIVERS, CYCLISTS, PEDESTRIANS AND ANIMALS (EXCEPT CARRIED IN VEHICLES) WOULD ALSO BE PROHIBITED EXCEPT FOR EMERGENCIES OR WITH SPECIAL PERMISSION.

HE SAID TRAFFIC SIGNS WOULD BE ERECTED TO INDICATE THE START AND END POINTS OF AN EXPRESSWAY WHERE THE NEW DRIVING RULES WOULD APPLY.

"FAILING TO COMPLY WITH THESE RULES, MOTORISTS WOULD BE LIABLE TO A FINE OF \$5,000 AND IMPRISONMENT FOR THREE MONTHS ON FIRST CONVICTION OR A FIXED PENALTY WHERE APPLICABLE," HE SAID.

"AUTHORISATION BY THE DIRECTOR OF HIGHWAYS MUST BE OBTAINED BEFORE WORKS OF ANY NATURE MAY BE CARRIED OUT ON ANY PART OF AN EXPRESSWAY. NO FLAGS, BANNERS OR ADVERTISEMENT OF ANY KIND MAY BE PUT UP ON ANY PART OF AN EXPRESSWAY WITHOUT THE PERMISSION OF THE COMMISSIONER FOR TRANSPORT," HE ADDED.

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TENDERS INVITED FOR DRAINAGE WORKS

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THE DRAINAGE SERVICES DEPARTMENT IS INVITING TENDERS FOR THE MAINTENANCE AND CONSTRUCTION OF PUBLIC DRAINAGE SYSTEMS IN THREE OPERATION DISTRICTS DESIGNATED BY THE DEPARTMENT.

THE THREE DISTRICTS ARE: MAINLAND NORTH, MAINLAND SOUTH, HONG KONG ISLAND AND ISLANDS DISTRICTS.

THEY WILL BE COVERED BY THREE SEPARATE CONTRACTS WITH WORK PERIODS RANGING FROM 25 TO 32 MONTHS, BEGINNING THIS AUGUST.

WORKS ON THE CONTRACTS WILL INCLUDE THE MAINTENANCE AND IMPROVEMENT OF ALL EXISTING PUBLIC SEWERS, STORMWATER DRAINS, AND THE CONSTRUCTION OF MINOR SEWERS AND DRAINS IN EACH DISTRICT.

FORM OF TENDER AND FURTHER PARTICULARS MAY BE OBTAINED FROM THE FOLLOWING OFFICES:

- * MAINLAND NORTH DIVISION, DRAINAGE SERVICES DEPARTMENT, ROOM 309, THIRD FLOOR, CHINACHEM GOLDEN PLAZA, 77 MODY ROAD, TSIM SHA TSUI EAST, KOWLOON;
- * MAINLAND SOUTH DIVISION, DRAINAGE SERVICES DEPARTMENT, THIRD FLOOR, EMPIRE CENTRE, 68 MODY ROAD, TSIM SHA TSUI EAST, KOWLOON, AND
- * HONG KONG AND ISLANDS DIVISION, DRAINAGE SERVICES DEPARTMENT, FIFTH FLOOR, HENNESSY CENTRE, 500 HENNESSY ROAD, CAUSEWAY BAY, HONG KONG.

THE DEADLINE FOR SUBMITTING TENDERS IS NOON ON JUNE 14.

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DREDGING FOR MARINE SAND WEST OF CHING CHAU

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THE GOVERNMENT IS TO PROCEED WITH THE DREDGING WORK WITHIN AN AREA OF ABOUT 130 HECTARES OF SEA-BED WEST OF CHING CHAU TO PROVIDE MATERIALS FOR USE IN CONSTRUCTION AND FUTURE RECLAMATIONS.

THE EXTENT OF THE AREA AFFECTED WAS DESCRIBED IN A NOTICE PUBLISHED IN THE GOVERNMENT GAZETTE TODAY (FRIDAY).

ANY PERSON WHO CONSIDERS THAT HE HAS AN INTEREST, RIGHT OR EASEMENT IN OR OVER THE FORESHORE AND SEA-BED INVOLVED MAY SUBMIT A WRITTEN OBJECTION TO THE DIRECTOR OF BUILDINGS AND LANDS BEFORE JULY 23.

THE NOTICE (IN BOTH ENGLISH AND CHINESE) TOGETHER WITH ITS RELATED PLANS CAN BE SEEN ON NOTICE BOARDS POSTED NEAR THE SITE.

THE PLAN CAN ALSO BE SEEN AT THE BUILDINGS AND LANDS DEPARTMENT'S SURVEY AND MAPPING OFFICE, 14TH FLOOR, MURRAY BUILDING, GARDEN ROAD, HONG KONG (WHERE COPIES CAN BE PURCHASED ON ORDER); AND AT THE SAI KUNG DISTRICT OFFICE, SECOND FLOOR, SAI KUNG GOVERNMENT OFFICES BUILDING, 34 CHAN MAN STREET, SAI KUNG, NEW TERRITORIES; AND AT THE EASTERN DISTRICT OFFICE, GROUND FLOOR, 29 TAI ON STREET, SAI WAN HO, HONG KONG.

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FRIDAY, MAY 24, 1991

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TRAFFIC CONDITIONS AT LAI CHI KOK INTERCHANGE TO BE IMPROVED
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THE HIGHWAYS DEPARTMENT PROPOSES TO CARRY OUT ROAD WORKS TO IMPROVE THE TRAFFIC CAPACITY AND THE CONDITIONS OF THE ROADS AT THE LAI CHI KOK INTERCHANGE.

A NOTICE ON THE PROPOSED WORKS WAS PUBLISHED IN THE GAZETTE TODAY (FRIDAY).

THE PROJECT COMPRISES MODIFICATION TO AND RECONSTRUCTION OF SECTIONS OF THE EXISTING CARRIAGEWAYS ALONG CHEUNG SHA WAN ROAD, KWAI CHUNG ROAD, LAI CHI KOK ROAD, BUTTERFLY VALLEY ROAD, AND ASSOCIATED SIDE ROADS.

A BOX CULVERT WILL BE BUILT AT THE EXISTING OPEN NULLAH NEXT TO BUTTERFLY VALLEY ROAD TO PROVIDE FOR A BUS TERMINUS.

THE FOOTWAY AT THE EASTBOUND DOWNRAMP FROM KWAI CHUNG ROAD WILL BE CLOSED AND CONVERTED INTO AN EXTRA TRAFFIC LANE.

THE EXISTING EMBANKMENT SLOPE OF A FLYOVER ABUTMENT WILL BE SET BACK TO WIDEN A SECTION OF LAI CHI KOK ROAD.

THE PROJECT IS SCHEDULED TO START AT THE END OF THIS YEAR AND WILL TAKE ABOUT 29 MONTHS TO COMPLETE.

THE PLAN AND SCHEME MAY BE INSPECTED AT THE FOLLOWING GOVERNMENT OFFICES:

- * THE CENTRAL AND WESTERN DISTRICT OFFICE, PUBLIC ENQUIRY SERVICE CENTRE, GROUND FLOOR, HARBOUR BUILDING, 38 PIER ROAD, CENTRAL;
- * KOWLOON WEST DISTRICT LANDS OFFICE, YAU MA TEI MULTI-STOREY CARPARK BUILDING, 10TH FLOOR, 250 SHANGHAI STREET, KOWLOON;
- * SHAM SHUI PO DISTRICT OFFICE, 37-39 TONKIN STREET, GROUND FLOOR, KOWLOON.

ANY PERSON WHO WISHES TO OBJECT TO THE PROPOSED WORKS SHOULD WRITE TO THE SECRETARY FOR TRANSPORT, CENTRAL GOVERNMENT OFFICES, EAST WING, SECOND FLOOR, LOWER ALBERT ROAD, HONG KONG NOT LATER THAN JULY 23 THIS YEAR.

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FRIDAY, MAY 24, 1991

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TENDERS INVITED FOR POLICE POST ON LAMMA ISLAND

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THE ARCHITECTURAL SERVICES DEPARTMENT IS INVITING TENDERS FOR THE CONSTRUCTION OF A PERMANENT POLICE POST AT SOK KWU WAN ON LAMMA ISLAND.

THE PROJECT INCLUDES A TWO-STOREY CONCRETE STRUCTURE CONTAINING BARRACKS, OFFICES, TOILET AND PANTRY.

WORK IS EXPECTED TO START IN AUGUST AND TAKE ABOUT SEVEN MONTHS TO COMPLETE.

TENDER FORMS AND PARTICULARS MAY BE OBTAINED FROM THE ARCHITECTURAL SERVICES DEPARTMENT, 34TH FLOOR, QUEENSWAY GOVERNMENT OFFICES, 66 QUEENSWAY, HONG KONG.

THE DEADLINE FOR SUBMISSION OF TENDER IS 12 NOON ON JUNE 14.

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PRINCE EDWARD ROAD EAST TO BE RECONSTRUCTED

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THE HIGHWAYS DEPARTMENT IS INVITING TENDERS FOR THE RECONSTRUCTION OF PRINCE EDWARD ROAD EAST BETWEEN KING TAI STREET AND KOWLOON CITY INTERCHANGE AND IMPROVEMENTS TO THE KAI TAK AIRPORT SOUTHERN APPROACH ROADS.

A DEPARTMENT SPOKESMAN SAID TODAY (FRIDAY) THE PROJECT WOULD COMPRISE THE RECONSTRUCTION TO CURRENT DESIGN STANDARDS OF PRINCE EDWARD ROAD EAST BETWEEN KING TAI STREET AND KOWLOON CITY INTERCHANGE, AND THE REALIGNMENT AND WIDENING OF OLYMPIC AVENUE, SUNG WONG TOI ROAD, TO KWA WAN ROAD AND SAN SHAN ROAD WITH ASSOCIATED WORKS IN KOWLOON CITY ROAD TO IMPROVE TRAFFIC FLOW.

WORK IS EXPECTED TO START IN JULY THIS YEAR AND BE COMPLETED BY SEPTEMBER 1993.

A TENDER NOTICE ON THE PROJECT WAS PUBLISHED IN THE GAZETTE TODAY.

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CORRECTIONAL SERVICES ESSENTIAL TO INTERNAL SECURITY
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CORRECTIONAL SERVICES IN HONG KONG IS AN INDISPENSABLE PART OF THE INTERNAL SECURITY SYSTEM, A LEGISLATIVE COUNCILLOR, MRS MIRIAM LAU, SAID TODAY (FRIDAY).

SPEAKING AT A PASSING-OUT PARADE OF THE CORRECTIONAL SERVICES DEPARTMENT (CSD) HELD AT THE DEPARTMENT'S STAFF TRAINING INSTITUTE, MRS LAU SAID WITH THE APPROACH OF 1997, THE TASK OF CORRECTIONAL SERVICES WOULD PROBABLY BECOME MORE ONEROUS.

"ALREADY WE HAVE SEEN AN UPSURGE IN THE CRIME RATE OVER THE PAST YEAR OR SO, AND IT LOOKS AS IF WE MAY HAVE ANOTHER LARGE INFLUX OF VIETNAMESE MIGRANTS THIS YEAR," SHE SAID.

"ALL THESE WILL PUT ADDITIONAL STRAIN ON THE CORRECTIONAL SERVICES STAFF."

MRS LAU NOTED THAT AT PRESENT CSD NOT ONLY HAD THE TASK OF MANAGING A LARGE PENAL POPULATION LIVING IN OVERCROWDED PRISONS BUT ALSO TO SUPERVISE AND CONTROL THE EVER-INCREASING NUMBER OF VIETNAMESE MIGRANTS FLOWING INTO THE DETENTION CENTRES.

"UNDER SUCH ADVERSE CIRCUMSTANCES, CSD MUST BE COMMENDED FOR ITS CONTINUED ABILITY TO PROVIDE EFFECTIVE TREATMENT AND TRAINING FOR THE REFORMATION AND REHABILITATION OF OFFENDERS, AND MAINTAIN GOOD ORDER AND DISCIPLINE WITHIN THE DETENTION CENTRES," SHE SAID.

EIGHTY-SIX ASSISTANT OFFICERS WHO HAVE JUST COMPLETED SIX MONTHS' BASIC TRAINING TOOK PART IN THE PARADE THIS AFTERNOON.

MRS LAU PRESENTED SILVER WHISTLES TO THE THREE BEST RECRUITS.

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BID TO PROMOTE EMPLOYMENT LAW
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THE LABOUR DEPARTMENT WILL HOLD AN EXHIBITION TO EXPLAIN THE VARIOUS PROVISIONS OF THE EMPLOYMENT ORDINANCE FOR FACTORY PROPRIETORS AND LOCAL WORKERS IN TSUEN WAN FROM TOMORROW (SATURDAY) TO MONDAY (MAY 27).

ORGANISED BY THE LABOUR RELATIONS PROMOTION UNIT, THE EXHIBITION IS AIMED AT INCREASING PUBLIC KNOWLEDGE OF THE STATUTORY BENEFITS FOR WORKERS UNDER THE ORDINANCE, INCLUDING PAID HOLIDAYS, MATERNITY LEAVE, LONG SERVICE AND SEVERANCE PAYMENTS, AND TERMINATION OF EMPLOYMENT.

THERE WILL ALSO BE ILLUSTRATIONS ON THE ADVANTAGES AND PROCEDURES FOR EMPLOYERS TO SET UP RETIREMENT SCHEMES FOR THEIR EMPLOYEES, WHILE LABOUR OFFICERS WILL BE ON HAND TO ANSWER ENQUIRIES.

/ALSO A

ALSO A QUIZ WILL BE HELD ON THE SPOT TO AROUSE PUBLIC INTEREST IN THE EMPLOYMENT ORDINANCE AND LABOUR RELATIONS.

THE EXHIBITION WILL BE OPEN TO THE PUBLIC DAILY FROM 10 AM TO 6 PM AT THE TSUEN WAN PLAZA, LEVEL ONE (NEAR THE MUSIC FOUNTAIN), 4-30, TAI PA STREET.

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THREE DB REPS ELECTED TO UC
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THREE DISTRICT BOARDS HAVE TODAY (FRIDAY) ELECTED THEIR URBAN COUNCIL REPRESENTATIVES. THEY ARE:

DISTRICT	REPRESENTATIVE ELECTED
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SOUTHERN	MR ALBERT POON SHUN-KWOK
KWUN TONG	MS YEUNG KAM-CHUN
MONG KOK	MR YIM KWOK-ON

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UNAUTHORISED BUILDING WORKS TO BE CLOSED
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THE BUILDING AUTHORITY IS SEEKING TO CLOSE THE UNAUTHORISED BUILDING WORKS ON THE SECOND FLOOR OF 239 KI LUNG STREET IN SHAM SHUI PO SO THAT THEY CAN BE DEMOLISHED WITHOUT DANGER TO THE OCCUPIERS AND THE PUBLIC.

NOTICE OF INTENTION TO APPLY FOR A CLOSURE ORDER UNDER THE BUILDINGS ORDINANCE FROM THE HONG KONG DISTRICT COURT ON AUGUST 22 WAS POSTED ON THE PREMISES TODAY (FRIDAY).

DEMOLITION WORK IS EXPECTED TO START ONCE THE CLOSURE ORDER IS ISSUED.

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FRIDAY, MAY 24, 1991

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FIRING PRACTICE IN JUNE

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FIRING PRACTICE WILL TAKE PLACE AT THE HA TSUEN/CASTLE PEAK RANGE ON 18 DAYS NEXT MONTH.

THE PUBLIC IS WARNED NOT TO ENTER THE AREA WHEN RED FLAGS ARE HOISTED.

FOLLOWING ARE THE DATES AND TIMES THAT FIRING PRACTICE WILL TAKE PLACE:

DATE	TIME
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JUNE 3 (MONDAY)	8.30 AM - 5 PM
JUNE 4 (TUESDAY)	8.30 AM - 5 PM
JUNE 5 (WEDNESDAY)	8.30 AM - 11.59 PM
JUNE 6 (THURSDAY)	12.01 AM - 11.59 PM
JUNE 7 (FRIDAY)	12.01 AM - 5 PM
JUNE 10 (MONDAY)	8.30 AM - 5 PM
JUNE 11 (TUESDAY)	8.30 AM - 5 PM
JUNE 12 (WEDNESDAY)	8.30 AM - 5 PM
JUNE 13 (THURSDAY)	8.30 AM - 5 PM
JUNE 14 (FRIDAY)	8.30 AM - 5 PM
JUNE 19 (WEDNESDAY)	8.30 AM - 5 PM
JUNE 20 (THURSDAY)	8.30 AM - 5 PM
JUNE 21 (FRIDAY)	8.30 AM - 5 PM
JUNE 24 (MONDAY)	8.30 AM - 5 PM
JUNE 25 (TUESDAY)	8.30 AM - 5 PM
JUNE 26 (WEDNESDAY)	8.30 AM - 5 PM
JUNE 27 (THURSDAY)	8.30 AM - 5 PM
JUNE 28 (FRIDAY)	8.30 AM - 5 PM

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FRIDAY, MAY 24, 1991

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HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS
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HKEF

	DATE ----	\$ MILLION -----
CLOSING BALANCE IN THE ACCOUNT ON	23.5.91	480
EFFECT OF FORWARDS TO BE SETTLED ON	24.5.91	-310
EFFECT OF OPERATIONS THIS MORNING		+210
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL
TRADE WEIGHTED INDEX 112.6 *-0.1* 24.5.91		

HONG KONG GOVERNMENT EXCHANGE FUND
91-DAY EXCHANGE FUND BILLS

HKEI

ISSUE NUMBER -----	MATURING ON -----	OUTSTANDING \$ MILLION -----
Q115	10.7.91	400 +80
Q116	17.7.91	370 +110
Q117	24.7.91	398.5 +81.5
Q118	31.7.91	480 +0
Q119	7.8.91	418.5 +61.5
Q120	14.8.91	410 +70
Q121	21.8.91	420 +60
Q109	29.5.91	830 -350
Q110	5.6.91	410 +70
Q111	12.6.91	444 +36
Q112	19.6.91	560 -80
Q113	26.6.91	410 +70
Q114	3.7.91	480 +0

/HONG KONG

HONG KONG GOVERNMENT EXCHANGE FUND
182-DAY EXCHANGE FUND BILLS

HKEJ

ISSUE NUMBER -----	MATURING ON -----	OUTSTANDING \$ MILLION -----	
H164	13.11.91	100	+160
H003	29.5.91	230	+30
H004	12.6.91	210	+50
H005	26.6.91	230	+30
H101	10.7.91	153	+107
H156	24.7.91	170	+90
H157	7.8.91	139.5	+120.5
H158	21.8.91	180	+80
H159	4.9.91	150	+110
H160	18.9.91	210	+50
H161	2.10.91	160	+100
H162	17.10.91	144	+116
H163	30.10.91	50	+210

HONG KONG GOVERNMENT EXCHANGE FUND
364-DAY EXCHANGE FUND BILLS

HKEK

ISSUE NUMBER -----	MATURING ON -----	OUTSTANDING \$ MILLION -----	
Y187	26.2.92	240	+20
Y188	25.3.92	170	+90
Y189	22.4.92	190	+70
Y190	20.5.92	220	+40

AVERAGE DAILY TRANSFER FOR WEEK ENDING 24.5.91 WAS 3,588 MN