



DAILY INFORMATION BULLETIN

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PROVISIONAL TRADE FIGURES FOR SEPTEMBER RELEASED

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THE STRONG GROWTH IN EXTERNAL TRADE CONTINUED IN SEPTEMBER 1987. ACCORDING TO THE PROVISIONAL TRADE FIGURES PUBLISHED TODAY (SATURDAY) BY THE CENSUS AND STATISTICS DEPARTMENT, THE VALUE OF DOMESTIC EXPORTS IN SEPTEMBER 1987 WAS \$17,843 MILLION, 28.0 PER CENT OR \$3,899 MILLION HIGHER THAN IN SEPTEMBER 1986, WHILE THE VALUE OF RE-EXPORTS INCREASED BY 48.3 PER CENT OR \$5,376 MILLION TO \$16,502 MILLION.

TAKING DOMESTIC EXPORTS AND RE-EXPORTS TOGETHER, THE VALUE OF TOTAL EXPORTS, AT \$34,345 MILLION, WAS 37.0 PER CENT OR \$9,275 MILLION HIGHER THAN IN SEPTEMBER 1986. THE VALUE OF IMPORTS GREW BY 39.7 PER CENT OR \$9,318 MILLION OVER SEPTEMBER 1986 TO \$32,766 MILLION.

AS THE VALUE OF TOTAL EXPORTS IN SEPTEMBER 1987 WAS GREATER THAN THAT OF IMPORTS, A VISIBLE TRADE SURPLUS OF \$1,579 MILLION, EQUIVALENT TO 4.8 PER CENT OF THE VALUE OF IMPORTS, WAS RECORDED FOR THE MONTH. THIS SURPLUS IS LARGELY SEASONAL, REFLECTING THE TIMING OF EXPORT SHIPMENTS TO MEET THE WINTER SEASON IN HONG KONG'S OVERSEAS MARKETS. IT COMPARES WITH A SURPLUS OF \$1,622 MILLION, EQUIVALENT TO 6.9 PER CENT OF THE VALUE OF IMPORTS, RECORDED IN SEPTEMBER 1986.

PUTTING THE MONTH'S TRADE FIGURES INTO CONTEXT, THE VALUE OF TOTAL EXPORTS FOR THE FIRST NINE MONTHS OF 1987 WAS \$270,215 MILLION, MADE UP OF DOMESTIC EXPORTS OF \$141,139 MILLION AND RE-EXPORTS OF \$129,076 MILLION.

COMPARED WITH THE SAME PERIOD IN 1986, THE VALUE OF TOTAL EXPORTS GREW BY \$76,476 MILLION OR 39.5 PER CENT, THAT OF DOMESTIC EXPORTS BY \$32,753 MILLION OR 30.2 PER CENT, AND THAT OF RE-EXPORTS BY \$43,723 MILLION OR 51.2 PER CENT.

OVER THIS PERIOD, THE VALUE OF IMPORTS GREW BY \$75,713 MILLION OR 38.9 PER CENT, TO \$270,150 MILLION.

AS THE VALUE OF TOTAL EXPORTS WAS ROUGHLY THE SAME AS THAT OF IMPORTS, THE VISIBLE TRADE ACCOUNT WAS VIRTUALLY IN BALANCE, WITH A VERY SMALL SURPLUS OF \$65 MILLION.

THIS COMPARES WITH A DEFICIT OF \$698 MILLION, EQUIVALENT TO 0.4 PER CENT OF THE VALUE OF IMPORTS, RECORDED IN THE FIRST NINE MONTHS OF 1986.

/COMMENTING ON

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COMMENTING ON THESE FIGURES, A GOVERNMENT SECRETARIAT SPOKESMAN SAID THAT THE STRONG GROWTH IN DOMESTIC EXPORTS HAD BEEN SUSTAINED FOR 19 MONTHS. THIS WAS MAINLY ATTRIBUTABLE TO THE STRONG DEMAND FOR HONG KONG'S PRODUCTS IN OVERSEAS MARKETS, BROUGHT ABOUT BY THEIR SUSTAINED DEMAND FOR IMPORTS AND BY THE INCREASED COMPETITIVENESS OF OUR PRODUCTS DUE, AMONG OTHER THINGS, TO EXCHANGE RATE MOVEMENTS. ON THE SUPPLY SIDE, IT REFLECTED THE FLEXIBILITY AND EFFICIENCY OF THE MANUFACTURING SECTOR IN COPING WITH THE STRONG DEMAND.

THE SPOKESMAN SAID THAT THE EVEN MORE RAPID GROWTH IN RE-EXPORTS WAS MAINLY DUE TO THE FLOURISHING ENTREPOT TRADE WITH CHINA, IN ITS POSITION BOTH AS A SOURCE AND AS A MARKET FOR HONG KONG'S RE-EXPORTS.

HE ADDED THAT THE STRONG GROWTH IN IMPORTS WAS PARTLY A REFLECTION OF THE BUOYANT DOMESTIC DEMAND, BUT ALSO SUGGESTED THAT EXPORT PERFORMANCE WAS LIKELY TO REMAIN GOOD FOR THE REST OF THE YEAR.

THE FOLLOWING TABLE PRESENTS THE PROVISIONAL MERCHANDISE TRADE FIGURES FOR SEPTEMBER 1987.

TRADE FIGURES FOR SEPTEMBER, 1987

THE CENSUS AND STATISTICS DEPARTMENT HAS RELEASED THE FOLLOWING PROVISIONAL MERCHANDISE TRADE FIGURES FOR SEPTEMBER:-

MERCHANDISE:	DOMESTIC EXPORTS	:	\$17,843 MILLION	
	RE-EXPORTS	:	\$16,502 MILLION	
	TOTAL EXPORTS	:	\$34,345 MILLION	
	IMPORTS	:	\$32,766 MILLION	
	TRADE BALANCE	:	\$ 1,579 MILLION	[IN SURPLUS]

COMPARATIVE FIGURES

LATEST 3 MONTHS	JUL 87	JUL 86	INCREASE	
	TO SEPT 87 HK\$ MN.	TO SEPT 86 HK\$ MN.	HK\$ MN.	%
DOMESTIC EXPORTS	55,347	43,013	12,334	28.7
RE-EXPORTS	48,949	32,319	16,630	51.5
TOTAL EXPORTS	104,296	75,332	28,964	38.4
IMPORTS	97,998	71,103	26,895	37.8
TRADE BALANCE	6,298	4,229	2,069	

/SAME MONTH

SAME MONTH LAST YEAR	SEPT	SEPT	INCREASE	
	1987	1986	HK\$ MN.	%
	HK\$ MN.	HK\$ MN.		
DOMESTIC EXPORTS (% OF TOTAL EXPORTS)	17,843 (52.0%)	13,944 (55.6%)	3,899	28.0
RE-EXPORTS	16,502	11,126	5,376	48.3
TOTAL EXPORTS	34,345	25,070	9,275	37.0
IMPORTS	32,766	23,448	9,318	39.7
TRADE BALANCE	1,579	1,622	-43	

LAST MONTH	SEPT	AUGUST	INCREASE	
	1987	1987	HK\$ MN.	%
	HK\$ MN.	HK\$ MN.		
DOMESTIC EXPORTS (% OF TOTAL EXPORTS)	17,843 (52.0%)	18,557 (53.5%)	-714	-3.8
RE-EXPORTS	16,502	16,149	353	2.2
TOTAL EXPORTS	34,345	34,706	-361	-1.0
IMPORTS	32,766	31,933	833	2.6
TRADE BALANCE	1,579	2,773	-1,194	

CALENDAR YEAR TO-DATE	JAN-SEPT	JAN-SEPT	INCREASE	
	1987	1986	HK\$ MN.	%
	HK\$ MN.	HK\$ MN.		
DOMESTIC EXPORTS (% OF TOTAL EXPORTS)	141,139 (52.2%)	108,386 (55.9%)	32,753	30.2
RE-EXPORTS	129,076	85,353	43,723	51.2
TOTAL EXPORTS	270,215	193,739	76,476	39.5
IMPORTS	270,150	194,437	75,713	38.9
TRADE BALANCE	65	-698	763	

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LAST 12 MONTHS	OCT 86	OCT 85	INCREASE	
	TO SEPT 87 HK\$ MN.	TO SEPT 86 HK\$ MN.	HK\$ MN.	%
DOMESTIC EXPORTS	186,736	143,326	43,410	30.3
RE-EXPORTS	166,270	111,975	54,295	48.5
TOTAL EXPORTS	353,006	255,301	97,705	38.3
IMPORTS	351,668	256,899	94,769	36.9
TRADE BALANCE	1,338	-1,598	2,936	

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HK OFFERS INCREASING SCOPE FOR U.S. -- SIR DAVID

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AS HONG KONG BECOMES A MORE AFFLUENT SOCIETY THERE IS INCREASING SCOPE FOR AMERICAN BUSINESSMEN TO ENLARGE THEIR MARKET IN THE TERRITORY, THE GOVERNOR, SIR DAVID WILSON, SAID IN NEW YORK ON FRIDAY (U.S. TIME).

SPEAKING TO THE ASIA SOCIETY AND THE HONG KONG ASSOCIATION OF NEW YORK, SIR DAVID DESCRIBED HONG KONG AS HAVING A FOURFOLD ATTRACTION FOR FOREIGN BUSINESSMEN.

THIS WAS AS A MARKET IN ITS OWN RIGHT, AS A PLACE TO MANUFACTURE, AS A GATEWAY TO THE POTENTIALLY VAST ECONOMY OF CHINA, AND AS A BASE FROM WHICH TO DO BUSINESS WITH THE ASIA-PACIFIC REGION.

IN HIS ADDRESS ENTITLED "HONG KONG: INVESTING IN THE FUTURE", SIR DAVID NOTED THAT THE HONG KONG CONSUMER HAD A HEALTHY APPETITE FOR IMPORTED GOODS. PER CAPITA GDP WAS ALREADY ONE OF THE VERY HIGHEST IN ASIA AT NEARLY U.S.\$7,000 -- HIGHER THAN IN SOME WESTERN COUNTRIES.

"THESE FACTORS, TOGETHER WITH THE STABLE EXCHANGE RATE BETWEEN THE U.S. AND THE HONG KONG DOLLAR, GIVE THE AMERICAN BUSINESSMAN SCOPE TO ENLARGE HIS MARKET IN HONG KONG," HE SAID.

"AND THERE ARE NO BARRIERS BETWEEN THE EXPORTER AND THE HONG KONG MARKET. NO MARKET IN THE WORLD IS FREER THAN HONG KONG'S."

/SIR DAVID?

SIR DAVID POINTED OUT THAT HONG KONG'S IMPORTS FROM THE U.S. IN 1986 WERE WORTH U.S.\$3 BILLION, AND THIS YEAR THEY HAD INCREASED SUBSTANTIALLY ON LAST YEAR.

AS A PLACE TO MANUFACTURE, HONG KONG COULD OFFER EXCELLENT INFRASTRUCTURE AND SERVICE FACILITIES, HE WENT ON, AND OVERSEAS INVESTMENT WAS INCREASING RAPIDLY.

"WE MUST BE ONE OF THE EASIEST PLACES IN THE WORLD IN WHICH TO SET UP SHOP," HE SAID. "WE HAVE A SKILLED AND DILIGENT WORKFORCE, A GOVERNMENT THAT BELIEVES THAT BUSINESS KNOWS WHAT IS BEST FOR BUSINESS, AND LOW TAX RATES."

SIR DAVID NOTED THAT AMERICAN COMPANIES HAD LONG RECOGNISED THE TERRITORY'S ADVANTAGES, AND THE U.S. HAD MORE INVESTMENT IN THE MANUFACTURING SECTOR THAN ANY OTHER COUNTRY, ACCOUNTING FOR OVER ONE-THIRD OF ALL OVERSEAS INDUSTRIAL INVESTMENT.

"THE U.S. STAKE IN OUR INDUSTRY IS GROWING FAST, WITH MORE THAN TWICE AS MUCH COMMITTED IN THE FIRST HALF OF 1987 AS IN THE FIRST HALF OF 1986," HE SAID.

FOR THE BUSINESSMAN LOOKING TO CHINA, SIR DAVID DESCRIBED HONG KONG AS A GATEWAY THAT WAS SECOND TO NONE, AND POINTED TO THE PHENOMENAL GROWTH OF HONG KONG'S RE-EXPORT TRADE WITH CHINA IN RECENT YEARS.

"NEARLY 80 PER CENT OF OUR TOTAL RE-EXPORT BUSINESS, SOME U.S.\$15 BILLION WORTH OF GOODS IN THE 12 MONTHS TO THE END OF JUNE, IS NOW ACCOUNTED FOR BY TRADE COMING OR GOING TO CHINA," HE SAID. "THIS DOES NOT, OF COURSE, INCLUDE THE GOODS THAT ARE TRANSHIPPED THROUGH HONG KONG, OR OTHER OFFSHORE TRADE FLOWS."

AS WELL AS THE IMPORTANT PHYSICAL COMMUNICATIONS LINKS BETWEEN HONG KONG AND CHINA, SIR DAVID POINTED TO THE PERSONAL CONNECTIONS THAT WERE ALSO SO IMPORTANT. "HONG KONG BUSINESSMEN HAVE THE KNOWLEDGE, EXPERTISE AND LANGUAGE SKILLS THAT CAN MAKE ALL THE DIFFERENCE TO WESTERN BUSINESSMEN GRAPPLING WITH THE PROBLEMS OF PENETRATING THE DISTANT AND UNFAMILIAR CHINA MARKET," HE EXPLAINED.

AS FOR DOING BUSINESS WITH THE ASIA-PACIFIC REGION, SIR DAVID SAID HONG KONG WAS ADMIRABLY SUITED AS A LOCATION FOR THE REGIONAL HEADQUARTERS OF MULTINATIONAL CORPORATIONS, AND, IN THIS CONNECTION, HE NOTED THAT MANY U.S. COMPANIES HAD HAD A BASE IN THE TERRITORY FOR YEARS.

HONG KONG'S ECONOMY HAD STAGED A TURNAROUND SINCE THE SIGNING OF THE JOINT DECLARATION IN 1984, SIR DAVID SAID, AND HE EXPLAINED HOW VARIOUS PROVISIONS OF THE DOCUMENT WERE REASSURING FOR BUSINESSMEN, SAYING THAT AFTER 1997, AS A SPECIAL ADMINISTRATIVE REGION OF CHINA, "HONG KONG WILL CONTINUE TO DO BUSINESS JUST AS IT DOES TODAY."

/HE REFERRED

HE REFERRED TO THE WORK THAT WAS GOING ON TO IMPLEMENT THE VARIOUS PROVISIONS OF THE JOINT DECLARATION, AND WHAT HAD BEEN ACHIEVED SO FAR IN RESPECT OF TRADE, TRAVEL AND COMMUNICATIONS.

"ALL OF THESE ACHIEVEMENTS IN TRADE, TRAVEL, AND COMMUNICATIONS ARE OF COURSE VITAL TO UNDERPIN ONE OF THE MOST IMPORTANT OBJECTIVES OF THE JOINT DECLARATION -- THAT HONG KONG SHOULD MAINTAIN ITS INTERNATIONAL LINKS AND ITS OWN IDENTITY. THEY ARE IMPORTANT TO THE BUSINESSMAN CONSIDERING HIS FUTURE DEALINGS WITH CHINA."

SIR DAVID CONCLUDED BY SAYING: "A GOOD DEAL REMAINS TO BE DONE TO ENSURE THAT THE PROVISIONS OF THE JOINT DECLARATION WORK OUT IN PRACTICE. BUT THE RECORD SINCE 1984 SPEAKS FOR ITSELF. THE AGREEMENT IS BEING IMPLEMENTED FAITHFULLY.

"MEANWHILE THE FOUNDATIONS FOR CONTINUING PROSPERITY IN THE NEXT CENTURY ARE BEING LAID - STRONG LONG TERM INVESTMENT BY FOREIGN AS WELL AS LOCAL BUSINESS, AND AMBITIOUS INFRASTRUCTURE PROJECTS BY PRIVATE INTERESTS AS WELL AS GOVERNMENT.

"I STRONGLY BELIEVE THAT THOSE INVESTING IN HONG KONG'S FUTURE WILL BE WELL REWARDED. IF ONE BELIEVES IN THE CONTINUING IMPORTANCE AND DYNAMISM OF THE ASIA-PACIFIC REGION, AND IN THE POTENTIAL OF CHINA, THEN ONE MUST BELIEVE IN THE FUTURE OF HONG KONG."

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THREE SITES FOR AUCTION ON MONDAY

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THREE PRIME SITES FOR DIFFERENT USES ARE TO BE AUCTIONED BY THE BUILDINGS AND LANDS DEPARTMENT AT THE FURAMA HOTEL ON MONDAY (OCTOBER 26).

ONE OF THE SITES, SITUATED AT OLD PEAK ROAD ON HONG KONG ISLAND WITH AN AREA OF 5,818-SQUARE-METRES, IS FOR PRIVATE RESIDENTIAL DEVELOPMENT.

ANOTHER SITE, COVERING AN AREA OF 4,323 SQUARE METRES, IS AT THE JUNCTION OF CHEUNG SHA WAN ROAD AND HING WAH STREET IN WEST KOWLOON.

IT IS FOR MULTI-STOREY CARPARK AND NON-INDUSTRIAL PURPOSES, EXCLUDING GODOWN AND HOTEL.

/THE THIRD

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THE THIRD SITE, OF 1,100 SQUARE METRES AT ON LOK TSUEN, FANLING, IS FOR INDUSTRIAL AND/OR GODOWN USE, BUT NOT FOR OFFENSIVE TRADES.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE AUCTION WHICH WILL START AT 2.30 PM IN THE JADE BALLROOM, FURAMA HOTEL.

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STATUTORY HOLIDAY REMINDER

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THE LABOUR DEPARTMENT TODAY (SATURDAY) REMINDED EMPLOYERS THAT THE CHUNG YEUNG FESTIVAL WHICH FALLS ON SATURDAY (OCTOBER 31) IS ONE OF THE 11 STATUTORY HOLIDAYS.

ALL MANUAL EMPLOYEES AND THOSE NON-MANUAL EMPLOYEES EARNING NOT MORE THAN \$11,500 ARE ENTITLED TO THE HOLIDAY AND MUST BE PAID FOR THE DAY OFF IF THEY HAVE WORKED CONTINUOUSLY FOR THREE MONTHS IMMEDIATELY PRECEDING THE STATUTORY HOLIDAY.

HOLIDAY PAY SHOULD BE EQUIVALENT TO AN EMPLOYEE'S EARNINGS ON A NORMAL WORKING DAY AND SHOULD INCLUDE BASIC WAGES AS WELL AS ALLOWANCES THAT CAN BE EXPRESSED IN MONEY TERMS SUCH AS MEAL AND COST OF LIVING ALLOWANCES.

WHETHER THE EARNINGS VARY FROM DAY TO DAY, HOLIDAY PAY SHOULD BE THE AVERAGE DAILY EARNINGS DURING EVERY COMPLETE WAGE PERIOD, WHICH COULD BE BETWEEN 28 DAYS TO 31 DAYS PRECEDING THE HOLIDAY.

IF AN EMPLOYEE IS REQUIRED TO WORK ON A STATUTORY HOLIDAY, HE MUST BE GIVEN AN ALTERNATIVE DAY OFF WITHIN 60 DAYS BEFORE OR AFTER THAT DAY.

ENQUIRIES ABOUT STATUTORY HOLIDAYS MAY BE MADE AT ANY BRANCH OFFICES OF THE LABOUR RELATIONS SERVICE.

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SEMINAR ON RADIATION PROTECTION

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THE MEDICAL AND HEALTH DEPARTMENT'S RADIATION HEALTH UNIT AND THE EDUCATION DEPARTMENT WILL ORGANISE TWO SEMINARS ON RADIATION PROTECTION FOR PHYSICS TEACHERS NEXT MONTH (NOVEMBER).

THE SEMINARS WILL FEATURE THE EFFECTS OF IONIZING RADIATIONS, THE CHARACTERISTICS OF RADIOACTIVE SOURCES USED IN SCHOOLS, THE SAFETY PRECAUTIONS IN HANDLING AND USING THESE SOURCES AND THE STEPS TO BE TAKEN IN CASE OF ACCIDENTS.

A PHYSICIST FROM THE RADIATION HEALTH UNIT OF THE MEDICAL AND HEALTH DEPARTMENT, DR C.B. POON, WILL SPEAK ON THE BASIC PRINCIPLES OF RADIATION PROTECTION IN SECONDARY SCHOOL. THERE WILL BE A DEMONSTRATION ON "WIPE TEST" FOR SEALED RADIOACTIVE SOURCES.

THE SEMINARS WILL BE HELD AT THE HONG KONG TEACHERS' CENTRE, 4 PAK FUK ROAD, NORTH POINT, ON NOVEMBER 21 AND 28.

SECONDARY SCHOOL HEADS WISHING TO SEND TEACHERS TO ATTEND THE SEMINARS ARE REQUESTED TO SUBMIT NOMINATIONS TO THE EDUCATION DEPARTMENT BEFORE NOVEMBER 4 AND PRIORITY WILL BE GIVEN TO RADIOACTIVE SOURCE CUSTODIANS WHO ARE NON-PHYSICS GRADUATES.

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CORRECTIONAL SERVICES STAFF TO WALK FOR CHARITY

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THE COMMISSIONER OF CORRECTIONAL SERVICES, MR CHAN WA-SHEK, WILL OFFICIATE AT THE OPENING CEREMONY OF A CHARITY WALK ORGANISED BY THE SOCIETY FOR THE REHABILITATION OF OFFENDERS TOMORROW (SUNDAY) MORNING AT THE PEAK.

THE CHARITY WALK IS PART OF THE CELEBRATIONS OF THE SOCIETY'S 30TH ANNIVERSARY.

FIFTY-ONE STAFF MEMBERS OF THE CORRECTIONAL SERVICES DEPARTMENT WILL TAKE PART IN THE WALK, FOR WHICH \$22,181 HAS BEEN PLEDGED ALREADY.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE EVENT. THE OPENING CEREMONY WILL BE HELD AT THE PEAK PARK AT 10 AM TOMORROW (SUNDAY).

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CONTRACT AWARDED FOR AMBULANCE DEPOT WORK

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A \$7 MILLION CONTRACT FOR THE CONSTRUCTION OF AN AMBULANCE DEPOT IN TSUEN WAN HAS BEEN AWARDED BY THE ARCHITECTURAL SERVICES DEPARTMENT.

THE DEPOT WILL BE BUILT ON A 1,920-SQUARE-METRE SITE AT WAI TSUEN ROAD, BEHIND LUK YEUNG SUN CHUEN.

IT WILL BE A STANDARD AMBULANCE DEPOT WITH A FOUR-STORY BUILDING AND DRILL YARD.

FACILITIES TO BE PROVIDED WILL INCLUDE OFFICES, A FOUR-BAY APPLIANCES ROOM, COMMUNICATIONS ROOM, MEDICAL AND LINEN STORE, WORKSHOP, BARRACK AND DINING ACCOMMODATION, AN EXERCISE ROOM AND STORES.

WORK IS EXPECTED TO START NEXT MONTH AND BE COMPLETED IN ONE YEAR.

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SPECIAL MEETING ON BUS ROUTE DEVELOPMENT

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THE TRAFFIC AND TRANSPORT COMMITTEE OF THE TAI PO DISTRICT BOARD WILL HOLD A SPECIAL MEETING ON MONDAY (OCTOBER 26) TO DISCUSS THE KMB ROUTE DEVELOPMENT PROGRAMME FOR TAI PO IN 1988/89.

THE COMMITTEE WILL ALSO DISCUSS THE TRAFFIC SITUATION AT TAI PO MARKET.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE SPECIAL MEETING OF THE TAI PO DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE AT 9.30 AM ON MONDAY (OCTOBER 26) IN THE CONFERENCE ROOM OF THE TAI PO DISTRICT BOARD SECRETARIAT ON THE THIRD FLOOR OF THE TAI PO COMMERCIAL CENTRE AT 152-172 KWONG FUK ROAD.

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NEW BUS ROUTES PROPOSED FOR TUEN MUN RESIDENTS

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THE TUEN MUN DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE WILL MEET ON MONDAY (OCTOBER 26) TO DISCUSS TWO NEW BUS ROUTES PROPOSED BY THE KOWLOON-CANTON RAILWAY CORPORATION.

THEY ARE BUS ROUTES 62A AND 63A, RUNNING BETWEEN LEUNG TIN AND CASTLE PEAK BAY, AND LEUNG TIN AND YUEN LONG RESPECTIVELY.

OTHER MATTERS FOR CONSIDERATION INCLUDE PROPOSED PEDESTRIAN SIGNALS AT TUEN MUN TOWN CENTRE, SETTING UP OF AN ADDITIONAL BUS STOP AT SHAN KING ESTATE, AND ERECTION OF IRON RAILINGS IN THE MIDDLE OF HEUNG SZE WUI ROAD.

THE DRAFT 1988-89 PUBLIC TRANSPORT SERVICE DEVELOPMENT PROGRAMME FOR TUEN MUN DISTRICT WILL BE TABLED AT THE MEETING.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE MEETING WHICH WILL BEGIN AT 2.30 PM IN THE CONFERENCE ROOM OF THE DISTRICT BOARD SECRETARIAT ON 3/F, TUEN MUN GOVERNMENT OFFICES BUILDING, NO 1, TUEN HI ROAD.

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BUILDING MANAGEMENT SEMINAR

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THE CENTRAL AND WESTERN DISTRICT OFFICE AND THE MULTI-STORY BUILDING OWNERS ASSOCIATION OF WESTERN DISTRICT WILL HOLD A SEMINAR ON HOW TO SOLVE BUILDING MANAGEMENT PROBLEMS ON TUESDAY (OCTOBER 27).

ADDRESSING THE SEMINAR WILL BE MR ALEXANDER CHANG, DISTRICT BOARD MEMBER AND CHAIRMAN OF THE HONG KONG DEED OF MUTUAL CONVENANTS AFFAIRS ASSOCIATION. HIS TALK WILL FOCUS ON THE APPLICATION OF DEEDS OF MUTUAL CONVENANTS.

THE SEMINAR WILL BE HELD AT 8 PM IN THE WESTERN DISTRICT COMMUNITY CENTRE ON WESTERN STREET.

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COMMUNITY LEADER DEVELOPMENT SCHEME CLOSES

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MORE THAN 60 CIVIC-MINDED RESIDENTS OF SHA TIN WILL BE AWARDED CERTIFICATES AT THE CLOSING CEREMONY OF THE SIX-DAY DEVELOPMENT OF COMMUNITY LEADERS SCHEME AT WU KAI SHA TOMORROW (SUNDAY).

THE SCHEME WAS ORGANISED BY THE WORKING GROUP ON PROMOTION OF CIVIC-MINDEDNESS UNDER THE SHA TIN DISTRICT BOARD.

IT FEATURED LECTURES, SEMINARS, MOCK DB MEETINGS AND CAMPS ON SUCH TOPICS AS HONG KONG'S POLITICAL STRUCTURE, FUTURE DEVELOPMENT OF SHA TIN, GRASSROOT ORGANISATIONS, CIVIC RIGHTS AND LEADERSHIP SKILLS. SPEAKERS INCLUDED ACADEMICS, COUNCILLORS AND GOVERNMENT REPRESENTATIVES.

SHA TIN DISTRICT OFFICER, MR VICTOR YUNG, CHAIRMAN OF THE COMMITTEE ON CIVIC EDUCATION, MRS RITA FAN, AND CHAIRMAN OF THE SHA TIN DISTRICT BOARD'S COMMUNITY BUILDING COMMITTEE, DR FANNY CHEUNG, WILL OFFICIATE AT THE CEREMONY AT 3 PM TOMORROW IN THE COMMUNITY HALL OF THE WU KAI SHA YOUTH CAMP.

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NOTE TO EDITORS:

YOU ARE INVITED TO SEND REPRESENTATIVES TO COVER THE CLOSING CEREMONY OF THE DEVELOPMENT OF COMMUNITY LEADERS SCHEME IN THE COMMUNITY HALL OF THE WU KAI SHA YOUTH CAMP, SHA TIN, AT 3 PM TOMORROW (SUNDAY). A COACH TAKING MEDIA REPRESENTATIVES TO THE VENUE WILL LEAVE THE CARPARK NEAR THE TAXI STAND AT THE GROUND LEVEL, KCR HOUSE, SHA TIN, AT 2 PM SHARP.

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SERVICES INSTALLATIONS FOR CHAI WAN INDOOR GAMES HALL

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FOUR CONTRACTS ON SERVICES INSTALLATIONS FOR THE FIRST INDOOR GAMES HALL IN CHAI WAN HAVE BEEN AWARDED BY THE ARCHITECTURAL SERVICES DEPARTMENT.

THE CONTRACTS, WORTH A TOTAL OF \$3.21 MILLION, INCLUDED \$1.29 MILLION FOR ELECTRICAL INSTALLATIONS, \$967,000 FOR AIR-CONDITIONING AND VENTILATION SYSTEMS, \$830,000 FOR LIFTS AND \$123,000 FOR FIRE PREVENTION INSTALLATIONS.

/WORK ON

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WORK ON THE CONTRACTS HAVE BEGUN AND THEIR COMPLETION DATE IS EXPECTED TO COINCIDE WITH THAT OF THE INDOOR GAMES HALL ITSELF IN SEPTEMBER 1988.

THE \$21.1 MILLION SPORTS COMPLEX WILL COMPRISE THREE BASKETBALL COURTS TO BE BUILT ON TOP OF AN EXISTING CARPARK BETWEEN YEE SHING STREET AND YEE FUNG STREET.

ADJACENT TO THE CARPARK WILL BE A THREE-STOREY ANNEX BUILDING WHICH WILL HOUSE THREE SQUASH COURTS, A LIGHT REFRESHMENT RESTAURANT, DANCING, FITNESS TRAINING AND CHANGING ROOMS AND TOILETS.

THE ANNEX WILL BE LINKED TO THE CARPARK ON THE THIRD FLOOR.

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CHINESE CALLIGRAPHY FORTNIGHT STARTS TOMORROW

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A 'CHINESE CALLIGRAPHY FORTNIGHT' ORGANISED BY THE YAU MA TEI AND TSIM SHA TSUI CULTURE AND ARTS ASSOCIATION TO SUPPORT THE CURRENT DISTRICT FESTIVAL WILL BE LAUNCHED TOMORROW (SUNDAY).

TO MARK THE OPENING, DIFFERENT FORMS OF CALLIGRAPHY BY PROMINENT CALLIGRAPHISTS AND CHOSEN PIECES SUBMITTED BY RESIDENTS WILL BE DISPLAYED AT AN EXHIBITION TO BE HELD AT THE ASSOCIATION'S ACTIVITY CENTRE AT 33 SALISBURY ROAD.

RELATED BOOKS WILL ALSO BE EXHIBITED WHILE SOME CALLIGRAPHISTS WILL DEMONSTRATE THEIR SKILL AT THE EXHIBITION.

SPONSORED BY THE YAU MA TEI DISTRICT BOARD, THE EXHIBITION WILL LAST UNTIL NOVEMBER 7.

OTHER ACTIVITIES DURING THE FORTNIGHT INCLUDE TALKS AND DEMONSTRATIONS BY CALLIGRAPHISTS AND A CALLIGRAPHY COMPETITION.

OFFICIATING AT TOMORROW'S OPENING CEREMONY WILL BE YAU MA TEI DISTRICT OFFICER, MR AUGUSTINE CHENG AND THE CHAIRMAN OF THE FESTIVAL'S ORGANISING COMMITTEE, WHO IS ALSO CHAIRMAN OF THE DISTRICT BOARD, MR YIP WAH.

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NOTE TO EDITORS:

YOU ARE INVITED TO COVER THE OPENING CEREMONY OF THE CHINESE CALLIGRAPHY FORTNIGHT WHICH WILL START AT 3 PM TOMORROW (SUNDAY) AT THE ASSOCIATION'S ACTIVITY CENTRE AT 33 SALISBURY ROAD.

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SATURDAY, OCTOBER 24, 1987

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TRAFFIC ARRANGEMENTS IN SHAM SHUI PO AND TUEN MUN

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TAI NAN STREET IN SHAM SHUI PO, BETWEEN A POINT ABOUT 15 METRES NORTHWEST OF ITS JUNCTION WITH POPLAR STREET AND A POINT ABOUT 15 METRES SOUTHEAST OF THE SAME JUNCTION, WILL BE DESIGNATED A 7 AM TO 7 PM DAILY URBAN CLEARWAY FROM 10 AM ON TUESDAY (OCTOBER 27).

NO VEHICLE WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS THERE.

AT THE SAME TIME, THE LEFT-TURN MOVEMENTS FROM THE THREE ACCESS ROADS IN TUEN MUN NEAR THE TSING LUN ROAD/CASTLE PEAK ROAD JUNCTION LEADING TO TSZ TIN TSUEN, SAN HING TSUEN AND TUEN TSZ WAI ONTO TSING LUN ROAD WILL BE BANNED FOR ABOUT THREE MONTHS FOR WORKS ON THE LIGHT RAIL TRANSIT PROJECT.

MOTORISTS HEADING FOR YUEN LONG ARE ADVISED TO ROUTE THROUGH SIU HONG COURT.

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TEMPORARY ROAD CLOSURE AT ADMIRALTY

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THE GROUND LEVEL OF COTTON TREE DRIVE BETWEEN DRAKE STREET AND QUEENSWAY WILL BE CLOSED TO TRAFFIC FROM 1 AM TO 6 AM DAILY FROM NEXT TUESDAY (OCTOBER 27) TO OCTOBER 30 FOR THE REMOVEAL OF A TEMPORARY FOOTBRIDGE.

THE SOUTHERN KERBSIDE LANE OF DRAKE STREET BETWEEN TAMAR STREET AND THE GROUND LEVEL OF COTTON TREE DRIVE WILL ALSO BE CLOSED.

DURING THE CLOSURE, VEHICLES ON WESTBOUND HARCOURT ROAD HEADING FOR QUEENSWAY WILL BE DIVERTED VIA THE COTTON TREE DRIVE FLYOVER, THE SLIP ROAD SOUTH OF THE ST JOHN'S BUILDING AND GARDEN ROAD FLYOVER TO JOIN QUEENSWAY.

MEANWHILE, VEHICLES TRAVELLING ON TAMAR STREET HEADING FOR CENTRAL WILL BE DIVERTED VIA THE COTTON TREE DRIVE FLYOVER, THE SLIP ROAD SOUTH OF THE ST JOHN'S BUILDING AND GARDEN ROAD TO JOIN QUEEN'S ROAD CENTRAL.

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SATURDAY, OCTOBER 24, 1987

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SALT WATER CUT IN CENTRAL, WESTERN

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SALT WATER SUPPLY TO CERTAIN PREMISES IN CENTRAL AND WESTERN DISTRICT WILL BE SUSPENDED FROM 10 AM TO 5 PM ON TUESDAY (OCTOBER 27) TO FACILITATE WATER MAINS WORK.

THE SUSPENSION WILL AFFECT SANDS STREET, HOK SZE TERRACE, POK FU LAM ROAD, BONHAM ROAD, CAINE ROAD, GLENEALY, WYNDHAM STREET, PEDDER STREET, CONNAUGHT ROAD CENTRAL AND THE SEAFRONT.

SOME PREMISES IN THE NEIGHBOURHOOD MAY EXPERIENCE WEAK WATER PRESSURE.

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DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 5-8428777

SATURDAY, OCTOBER 24, 1987

(SUPPLEMENT)

THE GOVERNOR AT A JOINT MEETING OF THE ASIA SOCIETY
AND THE HONG KONG ASSOCIATION OF NEW YORK

SATURDAY, OCTOBER 24, 1987

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PRESS CONFERENCE

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THE GOVERNOR, SIR DAVID WILSON, MET MEDIA REPRESENTATIVES AT A NEWS CONFERENCE AFTER ADDRESSING THE JOINT MEETING OF THE ASIA SOCIETY, AND THE HONG KONG ASSOCIATION OF NEW YORK IN NEW YORK ON FRIDAY (U.S. TIME).

A TRANSCRIPT OF THE QUESTIONS AND ANSWERS FOLLOWS:

SIR DAVID: THE IDEA OF THIS SESSION IS THAT WE JUST WRAP UP ON THE VISIT. I'VE JUST BEEN UNWRAPPING ON NEW YORK JUST THERE. A FEW COMMENTS FIRST, IF I MAY. THE NEW YORK PART OF THE VISIT HAS BEEN ESSENTIALLY TO DEAL WITH AND TO MEET PEOPLE IN THE LEARNED INSTITUTIONS, LIKE THE FOREIGN POLICY ASSOCIATION, THE COUNCIL ON FOREIGN RELATIONS AND TODAY'S MEETING WITH THE ASIA SOCIETY AND THE NEW HONG KONG ASSOCIATION. THAT'S WHAT NEW YORK IS PARTICULARLY GOOD FOR; AND ALSO A CHANCE TO MEET, BUT MORE SOCIALLY, OTHER PEOPLE WHO ARE IN A PROMINENT POSITION IN NEW YORK. WITH THIS VISIT TO NEW YORK, AND WITH TODAY, MY WEEK'S VISIT TO THE UNITED STATES, COMES TO AN END. ALTHOUGH, IF I HAD BEEN PLANNING AHEAD AND KNOWN WHAT WAS GOING TO BE HAPPENING DURING THIS WEEK, IN WALL STREET AND VARIOUS PARTS OF THE WORLD, I WOULDN'T HAVE CHOSEN THIS WEEK. NEVERTHELESS, I DO THINK THE VISIT HAS BEEN VERY VALUABLE. IT'S BEEN A TREMENDOUS OPPORTUNITY TO MEET SIGNIFICANT PEOPLE BOTH IN WASHINGTON AND HERE IN NEW YORK, TO EXPLAIN TO THEM THAT THE UNITED STATES IS OF GREAT IMPORTANCE TO US IN HONG KONG, BOTH IN THE POLITICAL SPHERE AND ECONOMICALLY. AND TO GET ACROSS TO THEM SOME OF OUR OWN CONCERNS, PARTICULARLY PERHAPS IN WASHINGTON ON THE HILL, TO EXPLAIN THE NATURE OF HONG KONG AND ITS ECONOMY, THE FACT THAT IT IS THE SUPREME EXAMPLE IN THE WORLD, TOGETHER WITH SINGAPORE, OF A FREE TRADING SOCIETY. AND TO TRY TO ENSURE THAT THERE IS A GOOD UNDERSTANDING OF THOSE FACTS AMONGST PROMINENT PEOPLE IN POLITICAL LIFE HERE IN THE UNITED STATES. SO, EVEN THOUGH THIS MIGHT NOT BE THE IDEAL WEEK, I THINK IT'S BEEN A VISIT WHICH HAS BEEN WELL WORTHWHILE. IF THERE ARE ANY QUESTIONS THAT I CAN ANSWER, I SHOULD BE HAPPY TO TRY TO DO SO.

QUESTIONER: I GOT A STATEMENT ABOUT THE HONG KONG STOCK MARKET AND I GOT A COUPLE OF QUESTIONS. THE FIRST ONE IS, WHY DOES THE GOVERNMENT OF HONG KONG NEED TO ENGAGE A CONSULTANT TO STUDY THE FUTURES MARKET. AND WHAT IS THE TERM OF REFERENCE OF MR HAMBROS?

SIR DAVID: HAMBROS IS THE NAME OF THE MERCHANT BANK. THE QUESTIONS RELATED TO THE FUTURES MARKET ARE VERY COMPLEX ONES AND THE GOVERNMENT THEREFORE THOUGHT IT RIGHT TO GET SPECIALIST ADVICE. HAMBROS IS A FAMOUS MERCHANT BANK. SO IF THERE ARE ANY PROBLEMS RELATING TO THE FUTURES MARKET, THE GOVERNMENT THOUGHT IT RIGHT THAT IS SHOULD HAVE SPECIALIST ADVICE ON HOW TO DEAL WITH THEM. THE PRECISE TERMS OF REFERENCE I DO NOT HAVE AT MY FINGERTIPS. YOUR PEOPLE IN HONG KONG CAN ASK THAT OF THE FINANCIAL SECRETARY.

QUESTIONER: OK. ON THE SECOND QUESTION, THERE'S A RUMOUR IN HONG KONG SAYING THAT THE GOVERNMENT MIGHT INTEND TO USE THE EXCHANGE FUNDS TO SAVE THE FUTURES MARKET. IS THAT TRUE?

/SIR DAVID:

SIR DAVID: WHAT'S GOING ON AT THE MOMENT, IS DISCUSSIONS BETWEEN ALL THOSE DIFFERENT PARTIES INVOLVED IN THE FUTURES EXCHANGE AND THAT IS ALSO INVOLVING HAMBROS ON BEHALF OF THE GOVERNMENT. THE OBJECTIVE IS TO ENSURE THAT WHEN THE MARKETS OPEN ON MONDAY THERE WILL BE AN ORDERLY OPENING OF THE MARKETS. BEYOND THAT, ON THE DETAILS OF WHAT IS BEING DISCUSSED, IT'S NOT REALLY SENSIBLE FOR ME TO TRY TO COMMENT FROM NEW YORK. I'M SURE YOU'LL UNDERSTAND THAT THESE THINGS ARE GOING ON IN DETAIL IN HONG KONG. HONG KONG IS 12 HOURS AHEAD OF US, SO BY THE TIME I COMMENT ON ANYTHING FROM HERE, I'M ALREADY BEHIND WHAT IS HAPPENING IN HONG KONG.

QUESTIONER: I HAVE A QUESTION REGARDING THE TRADE BILL, THE PROTECTIONIST PENDING IN THE CONGRESS. HONG KONG WAS NAMED AS ONE OF THE REGIONS THAT EXPORT GOODS, VERY LOW PRICE GOODS, INTO THE UNITED STATES AND HONG KONG ALWAYS HAS A TRADE SURPLUS IN TRADING WITH THE U.S. AS REGARDS TO ONE OF THE PROVISIONS IN CONGRESS, IS THAT THE UNITED STATES HAS THE SANCTION AGAINST ANY COUNTRY THAT ENJOYS SURPLUS AND YET WITH A LOWER LEVEL UNIONISATION AND WITH AN ABSENCE OF MINIMUM WAGES AND HONG KONG FALLS INTO THAT CATEGORY. I WOULD LIKE TO ASK SIR DAVID HOW YOU WOULD DEFEND HONG KONG IN LIGHT OF THIS KIND OF PROVISIONS.

SIR DAVID: THE POINTS THAT I WOULD LIKE TO MAKE ARE FIRST OF ALL, IT'S NOT THAT HONG KONG IS AGAINST A TRADE BILL AS SUCH. NATURALLY, IT IS ENTIRELY WITHIN THE RIGHT OF THE U.S. GOVERNMENT TO HAVE A TRADE BILL. THEY HAVE VERY REAL PROBLEMS WITH THEIR DEFICIT. THEY HAVE VERY UNDERSTANDABLE CONCERNS ABOUT CERTAIN OF THEIR TRADING PARTNERS WHICH BUILD UP A HUGE ADVANTAGE IN TRADE WITH THE UNITED STATES BEHIND PROTECTIONIST BARRIERS. THE POINT THAT WE TRY TO GET ACROSS IS THAT ALTHOUGH WE HAVE A SURPLUS WITH THE UNITED STATES, THAT IS DONE WITHOUT ANY BARRIERS WHATSOEVER. THE UNITED STATES IS FREE TO EXPORT AS MUCH AND WHATEVER SORT OF THINGS IT WANTS TO HONG KONG. THE SECOND POINT WHICH I THINK IS IMPORTANT, AND I'VE BEEN TRYING TO MAKE IN WASHINGTON AND HERE, IS THAT THERE IS POTENTIAL FOR THE GROWTH OF U.S. EXPORTS TO HONG KONG. I MENTIONED AT LUNCHTIME THE FIGURE OF 27 PER CENT INCREASE IN U.S. EXPORTS TO HONG KONG THIS YEAR. OUR OWN FIGURES, FOR WHAT IT'S WORTH, ARE 36 PER CENT, EVEN GREATER. THAT COMPARES WITH INCREASES OF U.S. EXPORTS TO EAST ASIA AND THE PACIFIC, AS A WHOLE OF FOUR PER CENT. NOW, OUR SURPLUS WITH THE UNITED STATES HAS NOT BEEN INCREASING SIGNIFICANTLY OVER THIS YEAR, IT'S INCREASED A VERY SMALL AMOUNT, NOT SIGNIFICANTLY. THE SURPLUS OF SOME OTHER PLACES, PARTICULARLY SOUTH KOREA AND TAIWAN, HAVE BEEN INCREASED VERY SIGNIFICANTLY INDEED, BY SOME 1.7 BILLION U.S. DOLLARS AND 2.6 BILLION U.S. DOLLARS. SO WE ARE TRYING TO EXPLAIN TO RESPONSIBLE PEOPLE IN THE UNITED STATES. FIRST OF ALL, HONG KONG IS A GREAT MARKET FOR THEM; SECONDLY, OUR EXPORTS OR THE GAP WITH HONG KONG IS NOT INCREASING SIGNIFICANTLY; AND THIRDLY, AND VERY IMPROTANTLY, WE ARE A FREE TRADE ECONOMY IN PRECISELY THE WAY UNITED STATES WOULD WANT OTHER PLACES TO BE. NOW, COMING BACK TO YOUR QUESTION ABOUT THE TRADE BILL ITSELF, WHAT MATTERS THEN IS THAT IF THERE IS A TRADE BILL, IT SHOULD NOT BE LOOSELY WORDED IN A WAY THAT MIGHT PENALISE FREE TRADING ECONOMIES LIKE OURSELVES WHEN THE REAL OBJECTIVE MAY WELL BE TO DEAL WITH TRADING ECONOMIES THAT HAVE MASSIVE TARIFF BARRIERS.

QUESTION (INAUDIBLE).

SIR DAVID: I DISCUSSED THAT BOTH WITH PEOPLE ON THE HILL AND ALSO WITH MEMBERS OF THE ADMINISTRATION AND I EXPLAINED THAT FOR HONG KONG THIS IS A GROWING PROBLEM; THE NUMBERS YOU MAY WELL BE FAMILIAR WITH. BUT THE CRUCIAL ONES, FOR HONG KONG, ARE THAT ARRIVALS FROM VIETNAM THIS YEAR HAVE GONE UP BY MORE THAN 50 PER CENT OVER LAST YEAR AND RE-SETTLEMENT OPPORTUNITIES FROM HONG KONG HAVE GONE DOWN BY JUST UNDER 50 PER CENT, AND THAT IN ITSELF SHOWS THE PROBLEM. WHAT I'VE BEEN SAYING IS THAT ONE NEEDS TO LOOK AT THE SOLUTION IN TWO PARTS. ONE IS CONTINUING RE-SETTLEMENT OF PEOPLE WHO ARE NOW IN HONG KONG AND SIMILAR PLACES OF FIRST ASYLUM. IT IS ESSENTIAL IF FIRST ASYLUM IS TO BE GIVEN, THAT THERE SHOULD ALSO BE RE-SETTLEMENT OPPORTUNITY, THAT'S TO DEAL WITH IMMEDIATE AND PRESENT PROBLEM. BUT CLEARLY WE HAVE A LONG TERM AND A FUTURE PROBLEM, AND THAT IS THE DIFFICULTY THAT ARISES FROM THE FACT THAT MOST OF THESE PEOPLE NOW ARRIVING ARE LEAVING VIETNAM, PROBABLY FOR ECONOMIC REASONS, RATHER THAN REASONS OF POLITICAL PERSECUTION, AND THAT'S THE REASON WHY IT'S SO DIFFICULT TO RE-SETTLE THEM. THE UNITED STATES, FOR INSTANCE, SAYS THAT MOST OF THE PEOPLE IN HONG KONG DON'T QUALIFY UNDER THEIR PROGRAM. SO I'VE ALSO SAID WE NEED TO BE LOOKING TO A LONGER TERM SOLUTION WHEREBY IT'S POSSIBLE TO SENT BACK TO VIETNAM, IN THE SAME WAY AS YOU WOULD TO ANY OTHER PLACES, THOSE WHO HAVE LEFT BY ILLEGAL MEANS IN ORDER TO SEEK ECONOMIC ADVANTAGE. TO DO THAT, FIRST OF ALL YOU HAVE TO GET THE AGREEMENT OF THE VIETNAMESE GOVERNMENT AND SECONDLY, YOU HAVE TO MAKE SURE THAT PEOPLE ARE BEING SENT BACK IN CONDITIONS WHICH ARE ACCEPTABLE. SO FAR, THE VIETNAMESE GOVERNMENT HAS BEEN ADAMANT IN NOT ACCEPTING PEOPLE BACK EXCEPT ON WHAT THEY CALL A CASE BY CASE BASIS WHICH HAS AMOUNTED TO SIX PEOPLE UP TO NOW. SO THERE IS A REAL NEED FOR THE INTERNATIONAL COMMUNITY, THOSE INVOLVED IN THE REFUGEE PROBLEM, BOTH PLACES OF FIRST ASYLUM AND COUNTRIES OF RE-SETTLEMENT TO GET TOGETHER AND TRY TO WORK OUT WAYS OF ACHIEVING A LONG TERM SOLUTION.

QUESTION (INAUDIBLE).

SIR DAVID: THE NUMBER OF PEOPLE WHO ARE IN THOSE CLOSED CAMPS WOULD MAKE NO IMPACT OF ANY SIGNIFICANCE ON THE LABOR SHORTAGE. THE SIGNAL GIVEN TO VIETNAM IF ONE OPENED THOSE CLOSED CAMPS COULD HAVE A VERY SERIOUS EFFECT. IT COULD BE SEEN FALSELY AS A SIGNAL THAT HONG KONG WAS ACCEPTING FOR RE-SETTLEMENT IN HONG KONG, ANYBODY WHO CAME FROM VIETNAM. YOU MAY REMEMBER THAT IN JULY THIS YEAR, THERE WAS A RUMOUR GOING THROUGH CERTAIN FARMS IN SOUTHERN CHINA WHERE VIETNAMESE HAD BEEN SETTLED, THAT HONG KONG WAS OPENING UP TO PEOPLE FROM VIETNAM AND THAT AMERICA WAS INCREASING ITS RE-SETTLEMENT PROGRAM. THE RESULT WAS, OVER THE SPACE OF TWO-AND-A-HALF WEEKS, WE SUDDENLY HAD OVER 7,000 PEOPLE WHO ARRIVED IN SMALL BOATS. YOU CAN IMAGINE THE SORT OF EFFECT THERE MIGHT BE IF WE GAVE THE WRONG SIGNAL BY OPENING UP OUR CLOSED CAMPS. IT FOLLOWS FROM THAT THAT THERE IS NO INTENTION TO DO SO.

/QUESTIONER:

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QUESTIONER: WITH THE CLOSING OF THE MARKETS, AND GIVEN THAT YOURS WAS THE ONLY MAJOR MARKET TO CLOSE THIS WEEK, IS THERE ANY CHANCE OF DAMAGE TO HONG KONG'S REPUTATION AS, AS YOU SAY, THE PARAGON OF FREE TRADING SOCIETY?

SIR DAVID: FIRST POINT I'D LIKE TO MAKE IS THAT THE OPENING OR CLOSING OF THE MARKETS IS A DECISION FOR THE MARKETS THEMSELVES, IT'S NOT A GOVERNMENT DECISION. IT'S ENTIRELY WITHIN THEIR POWER TO OPEN OR CLOSE AND THE GOVERNMENT HAS NO POWER TO ORDER THEM TO DO ONE THING OR THE OTHER. THEY ARE AUTONOMOUS ON THAT. SECOND POINT IS THAT THE PROBLEMS EARLIER THIS WEEK, AND ODDLY ENOUGH, THE BULL MARKET THE WEEK BEFORE, SHOWED VERY CLEAR WEAKNESSES IN OUR SYSTEM. THERE'S NO DOUBT AT ALL THAT THE SETTLEMENT PROCEDURES ARE NOT AS EFFICIENT AS A MARKET IN HONG KONG OUGHT TO HAVE. THEY CLEARLY WILL HAVE TO BE IMPROVED. I KNOW THE STOCK MARKET ALREADY HAD THIS IN MIND, AND INDEED, THEY'VE JUST APPOINTED SOMEBODY TO ADVISE THEM ON DOING THAT. THAT'S ONE THING THAT MUST BE IMPROVED. OTHER POINT: NOBODY CAN REALLY BE COMFORTABLE WITH MARKETS WHICH REMAIN CLOSED FOR A SUBSTANTIAL PERIOD OF TIME. SO IT IS A GOOD THING THAT THE MARKETS ARE GOING TO BE RE-OPENED ON MONDAY. I TRUST THAT THERE WILL NOT BE DAMAGE TO THE HONG KONG MARKET AND ITS REPUTATION IN PARTICULAR. PEOPLE ROUND THE WORLD ARE GOING TO BE LOOKING IN A DIFFERENT WAY NEXT WEEK AT THE WHOLE STOCK MARKET SYSTEM, FROM THE WAY THEY WERE LOOKING AT IT LAST WEEK.

QUESTION (INAUDIBLE).

SIR DAVID: FIRST, ON THE HONG KONG DOLLAR, I DON'T THINK IT WILL HAVE AN EFFECT. THIS IS WHERE THE PEGGING OF THE HONG KONG DOLLAR TO THE U.S. DOLLAR IS VERY HELPFUL; THAT GIVES US STABILITY TO THE EXCHANGE SYSTEM, WHICH IS HELPFUL FOR HONG KONG AND HELPFUL FOR BUSINESSMEN. SECOND ONE, THE BANKING SYSTEM, NO I DON'T HAVE WORRIES ABOUT THAT. WE WENT, AS YOU KNOW, THROUGH A PERIOD OF CONSIDERABLE CRISIS IN OUR BANKING SYSTEM OVER THE PAST FEW YEARS, AND AS A RESULT OF THAT, THE SUPERVISORY TECHNIQUES HAVE BEEN GREATLY IMPROVED. WE SHOULD BENEFIT FROM THE LESSONS OF THAT LAST PROBLEM. IT'S ACTUALLY A VERY GOOD EXAMPLE, I THINK, OF THE WAY IN WHICH HONG KONG CAN AND DOES BENEFIT WHEN THINGS GO WRONG. WHEN THE BANKING SYSTEM GOT INTO TROUBLE, IT SHOWED OUR WEAKNESSES AND THE WEAKNESSES ARE NOW BEING CORRECTED. IF RECENT EVENTS SHOW THAT THERE ARE WEAKNESSES IN OUR MARKET SYSTEM, THEN THOSE WEAKNESSES, TOO, MUST BE CORRECTED. I HOPE WE WILL BENEFIT AS A RESULT.

QUESTIONER: WHAT HAVE YOU ACHIEVED IN TALKING WITH THE U.S. GOVERNMENT OFFICIALS ON THE REFUGEE PROBLEM AND WHAT WAS THEIR REACTION? (PART OF QUESTION ON PROTECTIONISM INAUDIBLE.)

/SIR DAVID:

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SIR DAVID: ON PROTECTIONISM, I'M SURE YOU KNOW THE U.S. ADMINISTRATION IS VERY SUPPORTIVE INDEED OF A PLACE LIKE HONG KONG WHICH IS FREE TRADING. WE ARE THE EXAMPLE OF WHAT THEY WANT OTHER PEOPLE TO DO. SO I FOUND AN EXTREMELY GOOD REACTION FROM THE ADMINISTRATION. FROM MEMBERS OF CONGRESS, I FOUND A REAL UNDERSTANDING OF AND SYMPATHY FOR HONG KONG AND FOR THE EXAMPLE THAT HONG KONG SHOWS OF HOW A FREE MARKET CAN OPERATE AND OPERATE VERY SUCCESSFULLY. I HAVE TO SAY THOUGH, THAT THE PROBLEM OF PROTECTIONISM IN GENERAL IN THE UNITED STATES IS STILL THERE. THERE IS NO DOUBT THAT IT IS A BIG POLITICAL ISSUE WITH A GOOD DEAL OF POLITICAL PRESSURE BEHIND IT. ON VIETNAMESE REFUGEES, I WAS EXPLAINING THE PROBLEM AS SEEN FROM HONG KONG TO THE ADMINISTRATION AND CERTAIN PEOPLE IN CONGRESS AND GOT A VERY SYMPATHETIC AND UNDERSTANDING HEARING.

QUESTION (INAUDIBLE).

SIR DAVID: I WASN'T ASKING FOR PROMISES ON ANYTHING, I WAS OUTLINING THE SITUATION AS WE SEE IT AND I GOT EXACTLY THE SORT OF RESPONSE THAT I WAS LOOKING FOR.

QUESTIONER: ONE LAST QUESTION. (LAUGHTER). I'M SORRY. HAS HONG KONG EXPERIENCED ANY PRESSURE FROM THE U.S. MARKET TO DEVALUATE HONG KONG DOLLARS VERSUS U.S. DOLLARS? IN ORDER TO DEAL WITH THIS SURPLUS.

SIR DAVID: IT'S THE OTHER WAY ROUND. THERE IS NOT PRESSURE, BUT THERE HAS BEEN A SUGGESTION THAT HONG KONG SHOULD UP ITS RELATIONSHIP. IT CAME IN A SPEECH MADE BY MR BAKER (U.S. TREASURY SECRETARY) IN THE IMF MEETING AND THAT HAS BEEN REFERRED TO AGAIN DURING THE COURSE OF MY DISCUSSIONS. I POINTED OUT THAT WHEN WE PEGGED TO THE U.S. DOLLAR IN 1983, WE DID IT AT A TIME OF GREAT UNCERTAINTY ABOUT THE FUTURE POLITICALLY AND CONSIDERABLE TURMOIL ECONOMICALLY, PARTICULARLY IN THE MONEY MARKETS. WE DIDN'T PEG TO GET ANY TRADING ADVANTAGE. INDEED, IN THE PERIOD IMMEDIATELY AFTER WE PEGGED, WE WENT UP WITH THE U.S. DOLLAR, SO WE WERE LOSING TRADING ADVANTAGE. SINCE THEN WE'VE COME DOWN WITH THE U.S. DOLLAR. BUT AS I WAS ANSWERING AN EARLIER QUESTION, WE HAVE NOT WIDENED OUR TRADE GAP AS A RESULT, WHEREAS SOME OTHER PLACES WHICH HAVE CHANGED THEIR EXCHANGE RATE HAVE ACTUALLY WIDENED THE TRADE GAP WITH THE UNITED STATES. SO, I EXPLAINED THAT FIRST OF ALL WE DIDN'T PEG FOR TRADING ADVANTAGE, SECONDLY, WE BELIEVE THE PEG IS IMPORTANT TO US FOR STABILITY AND THEREFORE, THIRDLY, WE DID NOT INTEND TO CHANGE THE PEG. SOMEBODY ELSE HAD ONE OTHER LAST QUESTION.

QUESTIONER: ...ASIDE FROM THE EVIDENCE OF ECONOMIC SELF-INTEREST, FOR EXAMPLE IF CHINA WERE TO GO ON ANOTHER IDEOLOGICAL ROLLER COASTER, SOME OTHER CULTURAL REVOLUTION, WHAT EFFECT WOULD THAT HAVE ON THEIR WEIGHING OF THE ECONOMIC INTEREST ... TO PERHAPS CHANGE THINGS IN ADVANCE OF THE FIFTY YEAR TERM?

/SIR DAVID:

SIR DAVID: FOR A LAST QUESTION, THAT'S A MARVELOUSLY BROAD ONE. (LAUGHTER). LET ME JUST LIST A FEW OF THEM WITHOUT GOING INTO IT IN A SORT OF LONG LECTURE. FIRST OF ALL IS THE EXISTENCE OF THE TREATY ARRANGEMENT ITSELF, THE JOINT DECLARATION. THERE ARE SOME PEOPLE WHO ARE SKEPTICAL ABOUT INTERNATIONAL AGREEMENTS, AND EVEN IF AN INTERNATIONAL AGREEMENT IS LEGALLY BINDING, REGISTERED IN THE UNITED NATIONS, THEY SAY WHAT'S IT WORTH? IS IT WORTH MORE THAN THE PAPER IT'S WRITTEN ON? I HAPPEN TO BELIEVE THAT IT'S WORTH A LOT. THERE ARE EXAMPLE IN HISTORY OF PEOPLE BREAKING INTERNATIONAL AGREEMENTS. BUT COUNTRIES DO IT VERY RELUCTANTLY INDEED. IT IS OF ENORMOUS DAMAGE TO THEIR REPUTATION. CHINA HAS A REMARKABLY GOOD REPUTATION FOR KEEPING INTERNATIONAL AGREEMENTS. I DON'T KNOW ANY CASE IN WHICH CHINA, SINCE 1949, HAS BROKEN AN INTERNATIONAL AGREEMENT. SO I ATTACH A GOOD DEAL OF WEIGHT TO THAT. SECONDLY, I WOULD ATTACH A GREAT DEAL OF WEIGHT TO THE VALUE TO CHINA OF HONG KONG, A SUCCESSFUL HONG KONG. IT'S VALUABLE IN TWO WAYS, ONE IS IN A TRADING SENSE. A GOOD DEAL OF FOREIGN EXCHANGE IS EARNED THROUGH HONG KONG. HONG KONG CAN PROVIDE A GOOD DEAL OF SUPPORT FOR THE PROCESS OF MODERNISATION OF CHINA, CAPITAL INVESTMENT MANAGEMENT SKILLS, THE ACCESS TO A WESTERN WORLD WHICH MIGHT OTHERWISE BE HARDER TO ATTAIN. AND THIRDLY, THE EXAMPLE OF HONG KONG AND THE SUCCESSFUL IMPLEMENTATION OF THE JOINT DECLARATION COULD BE SEEN AS A POSSIBLE MODEL FOR TAIWAN, AND THAT TOO IS OF IMPORTANCE TO THE CHINESE LEADERSHIP. RE-UNIFICATION OF CHINA IS A CONCEPT TO WHICH THEY ATTACH A GREAT DEAL OF IMPORTANCE. NOW THAT'S JUST SELECTING A FEW THINGS OUT OF WHAT WOULD OTHERWISE BE AN HOUR LONG LECTURE. BUT I THINK THERE ARE VERY GOOD REASONS FOR CONFIDENCE IN THE FAITHFUL IMPLEMENTATION OF THE AGREEMENT.

QUESTIONER: ONE LAST QUESTION. (LAUGHTER).

SIR DAVID: THE THIRD LAST QUESTION OF THE DAY.

QUESTIONER: WE TALK ABOUT THE AGREEMENT BETWEEN CHINA AND HONG KONG, SOMETIMES PEOPLE USE THE EXAMPLE OF THE TREATMENT OF (TIBET?) CHINA MAKES AS A WORRISOME EXAMPLE. COULD YOU ELABORATE ON THAT?

SIR DAVID: I'M SORRY, I HAVE TO PUT YOU RIGHT ON THE BACKGROUND, IF I MAY. FIRST OF ALL, THE AGREEMENT IS BETWEEN BRITAIN AND CHINA, IT'S NOT BETWEEN HONG KONG AND CHINA. SECONDLY, THE SINO-BRITISH AGREEMENT IS AN INTERNATIONAL TREATY, A LEGALLY BINDING INTERNATIONAL TREATY REGISTERED AT THE UNITED NATIONS. THERE IS NOTHING OF THAT SORT RELATING TO THAT. LASTLY, I WOULD SAY TIBET IS VERY DIFFERENT INDEED FROM HONG KONG, FIRST OF ALL, WE HAVE THIS INTERNATIONAL AGREEMENT IN GREAT DETAIL ABOUT THE FUTURE OF HONG KONG, AND I'VE JUST SAID WHY I THINK IT WILL BE FULFILLED; AND SECONDLY, THERE IS NOBODY IN HONG KONG, THAT I KNOW OF, WHO IS ARGUING FOR THE INDEPENDENCE OF HONG KONG IN THE WAY THAT, IF NEWSPAPER REPORTERS ARE RIGHT, THERE HAVE BEEN PEOPLE IN LHASA FOR THE INDEPENDENCE OF TIBET.

QUESTIONER: SIR DAVID, ARE YOU GOING TO DISTANCE YOUR OFFICIAL SOOTHSAYER NOW? (LAUGHTER).

SIR DAVID: OR PROMOTE HIM UPWARDS, WHICH IS THE OTHER WAY OF MAKING SURE THAT SOMEBODY WHO'S DONE THE WRONG THING DOESN'T DO IT AGAIN. (LAUGHTER). SADLY, I DON'T HAVE AN OFFICIAL SOOTHSAYER.

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QUESTION AND ANSWER SESSION

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THE GOVERNOR, SIR DAVID WILSON, ANSWERED A NUMBER OF QUESTIONS FOLLOWING HIS ADDRESS TO THE JOINT MEETING OF THE ASIA SOCIETY, AND THE HONG KONG ASSOCIATION OF NEW YORK IN NEW YORK ON FRIDAY (U.S. TIME).

THE QUESTION AND ANSWER SESSION WAS CHAIRED BY THE SENIOR DIRECTOR OF HONG KONG ECONOMIC AFFAIRS, NEW YORK, MR WILLIAM DORWARD.

A TRANSCRIPT OF THE QUESTIONS AND ANSWERS FOLLOWS:

MR DORWARD: THE QUESTIONER HAS ASKED IF THE GOVERNOR CAN ELABORATE ON THE MATTER OF INVESTMENT IN HONG KONG. HE'S MENTIONED CHINESE AND AMERICAN INVESTMENT, WOULD HE SPEAK ABOUT BRITISH INVESTMENT IN HONG KONG?

SIR DAVID: THE LARGE INVESTORS IN HONG KONG ARE FIRST OF ALL, THE UNITED STATES, THEN JAPAN, THIRD CHINA ITSELF. AND THEN AFTER THAT COME SOME OF THE WEST EUROPEANS, WEST GERMANY IN PARTICULAR. BRITAIN HAS SUBSTANTIAL OLD INVESTMENT IN HONG KONG, THERE IS NEW BRITISH INVESTMENT GOING IN. I WISH, QUITE FRANKLY, THAT THERE WAS MORE BRITISH INVESTMENT GOING IN. I TELL BRITISH INVESTORS, NOT ONLY WOULD THAT BE NICE FOR HONG KONG, BUT IT WOULD BE EXTREMELY GOOD FOR THEIR BANK BALANCES.

MR DORWARD: MR ROSEN, FOR THE BENEFIT OF THOSE WHO COULDN'T HEAR IN THE BACK OF THE ROOM, BRINGS BLUSHES TO OUR CHEEKS BY HIS PRAISE FOR THE QUALITY OF THE BRITISH CIVIL SERVANTS WHO HAVE SERVED HONG KONG OVER THE YEARS. AND AS FOR THEIR SUCCESSORS WILL THEY BE ABLE TO MAINTAIN THE STANDARD OF TRADITIONS.

SIR DAVID: THANK YOU VERY MUCH FOR THE CERTIFICATE OF GOOD HOUSEKEEPING, COULD WE HAVE IT IN WRITING. WE HAVE SOME VERY GOOD LOCAL OFFICIALS INDEED; SOME OF THEM ARE ACTUALLY SITTING IN THIS ROOM. THERE ARE TWO POINTS THAT NEED TO BE EMPHASISED, ONE IS THAT THE ARRANGEMENT FOR THE FUTURE IS HONG KONG PEOPLE THEMSELVES INVOLVED IN THE GOVERNMENT OF HONG KONG, SO THE PEOPLE THAT YOU ARE TALKING ABOUT ARE HONG KONG PEOPLE. WE HAVE LONG HAD IN OUR CIVIL SERVICE A VAST MAJORITY OF PEOPLE WHO ARE LOCAL PEOPLE FROM HONG KONG. THEY ARE OF VERY HIGH QUALITY. IF ANYBODY IN THIS ROOM HAS BEEN DOING BUSINESS WITH HONG KONG, THEY WILL COME ACROSS THOSE PEOPLE AND WILL KNOW THAT QUALITY IS THERE. COMING UP IN THE 40'S AGE GROUP ARE SOME EXCELLENT PEOPLE IN WHOM I WOULD HAVE GREAT CONFIDENCE IF I WAS A BUSINESSMAN THINKING OF DOING BUSINESS WITH THEM IN THE FUTURE. ONE OTHER INTERESTING POINT, JUST TO MENTION, ON THE CIVIL SERVICE, WE RECRUIT ANNUALLY FOR THE ADMINISTRATIVE SERVICE WHICH IS THE SENIOR RANKS OF THE CIVIL SERVICE. THIS YEAR WE WERE LOOKING FOR JUST OVER 30 PLACES, AND WE HAD OVER 3,000 APPLICATIONS. WE HAD A HUGE NUMBER OF PEOPLE OF VERY HIGH QUALITY APPLYING FOR THE ADMINISTRATIVE BRANCH OF THE CIVIL SERVICE. ALL OF THOSE PEOPLE KNOWING THAT THEIR PERIOD OF SERVICE WAS GOING TO BE MORE AFTER 1997 THAN BEFORE 1997. I FIND THAT VERY ENCOURAGING.

/(QUESTION - INAUDIBLE)

(QUESTION - INAUDIBLE)

SIR DAVID: I THINK PROBABLY EVERYBODY HEARD THAT. (LAUGHTER). IF YOU CAN TELL ME WHAT THE IMPACT ON THE UNITED STATES ECONOMY WILL BE OF THE CLOSURE OR THE COLLAPSE ON WALL STREET, THEN I WILL TRY TO ANSWER THAT ONE. WE DON'T YET KNOW, OF COURSE, WHAT IS GOING TO HAPPEN TO OUR STOCK MARKETS WHEN THEY REOPEN ON MONDAY. AS EVERYBODY IN THE ROOM KNOWS, THEY'RE CLOSED AT THE MOMENT, THEY'RE DUE TO RE-OPEN ON MONDAY. ON MONDAY OF THIS WEEK, OUR MARKET WENT DOWN BY SOME 11 PER CENT. NOW THAT OF COURSE, IS NOT MUCH COMPARED WITH THE REST OF THE WORLD. WE DON'T KNOW, THOUGH, WHAT THE IMPACT WILL BE ON THE FOLLOWING MONDAY. THERE ARE TWO POINTS THOUGH THAT I WOULD LIKE TO MAKE, SINCE I CAN'T GAZE INTO THAT PARTICULAR CRYSTAL BALL. ONE IS THAT WHAT HAS HAPPENED THIS WEEK HAS SHOWN SURELY, BETTER THAN ANYTHING ELSE COULD DO, THAT ALL OF OUR MARKETS ARE GLOBALLY INTERLINKED. THIS CONCEPT OF THE GLOBAL MARKET WHICH SLIPS SO EASILY OFF THE TONGUE IS A REALITY AND WE SAW HOW WHAT HAPPENED IN ONE MARKET TRIGGERED OFF SIMILAR EVENTS IN OTHER MARKETS AROUND A 24 HOUR CLOCK. THAT'S ONE POINT. WE ARE NOT ISOLATED FROM THE REST OF THE WORLD, WE ARE AFFECTED VERY DIRECTLY BY WHAT HAPPENS HERE AND IN LONDON AND IN TOKYO. THE SECOND POINT IS THAT HONG KONG HAS A REMARKABLE ABILITY TO BOUNCE BACK. WE ARE AN ELASTIC SOCIETY. WE HAVE HAD TROUBLES WITH OUR STOCK MARKET BEFORE. WE ACTUALLY HAVE ALSO HAD TROUBLES WITH OUR BANKING SECTOR. EACH TIME WE HAVE HIT PROBLEMS WE HAVE, FIRST OF ALL, BOUNCED BACK, AND SECONDLY, FOUND WAYS TO DEAL WITH PROBLEMS WHICH HAVE BEEN REVEALED IN THE PROCESS OF SLIDING DOWNWARDS. SO, ON THE LONGER TERM, I HAVE COMPLETE CONFIDENCE IN THE HONG KONG MARKET, BECAUSE UNDERLYING EVERYTHING IS THE STRENGTH OF THE HONG KONG ECONOMY ITSELF. SOME OF THE STATISTICS WHICH I WAS JUST GIVING YOU.

MR DORWARD: SO THAT'S AN UPBEAT NOTE ON WHICH TO FINISH, IF THAT'S ALRIGHT WITH YOU AND I WILL AT THIS STAGE, CALL ON MR SESTO VECCHI, THE SECRETARY OF THE HONG KONG ASSOCIATION OF NEW YORK TO OFFER A VOTE OF THANKS TO THE GOVERNOR.

MR VECCHI: IT GIVES ME A GREAT DEAL OF PLEASURE ON BEHALF OF ALL OF US TO BE ABLE TO EXTEND A VOTE OF THANKS TO OUR SPEAKER. WE WISH TO THANK YOU, SIR DAVID, FOR SHARING WITH US YOUR INSIGHTS ON HONG KONG TODAY, YOUR VISION OF HONG KONG TOMORROW AND BEYOND. YOU ARE CERTAINLY AN ARTICULATE AND ENTHUSIASTIC EXPONENT OF THE VALUE AND IMPORTANCE OF HONG KONG TO THE UNITED STATES AND TO THE UNITED STATES BUSINESS COMMUNITY. I HOPE YOU'LL ALL JOIN WITH ME IN EXTENDING A ROUND OF APPLAUSE IN THANKS FOR SIR DAVID WILSON. (APPLAUSE).