



# DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES  
BEACONSFIELD HOUSE, HONG KONG. TEL.: 2842 8777

**Tuesday, June 4, 1996**

<u>Contents</u>	<u>Page No.</u>
Transcript of the Governor's media session .....	1
Chief Secretary launches HK-USA'96 promotion .....	3
HK on solid ground to prepare for the 21st Century .....	5
Civil servants offered 7.67% to 7.68% pay rise .....	7
New deputy HKMA chief appointed .....	8
New franchise for New Lantao Bus approved .....	9
Funding for seven languaging projects awarded .....	9
Unlicensed clubhouse operator fined .....	10
Over 16,500 sale and purchase agreements lodged in May .....	11
Hong Kong Monetary Authority tender results .....	12
Hong Kong Monetary Authority money market operations .....	13

Transcript of the Governor's media session

\* \* \* \* \*

Following is the transcript of the remarks made to the media by the Governor, the Rt Hon Christopher Patten, after attending the Executive Council meeting today (Tuesday):

Governor: Perhaps I could say a word or two about Mr C H Tung. C H Tung has been a very valued member of the Executive Council for over three and a half years. I remember my conversations with him in the autumn of 1992 trying to persuade him to join the Executive Council as a very important representative of a point of view about the development of Hong Kong and the development of our institutions. I was pleased then that he did so and I've been delighted with the contribution that he's made as a colleague over three and a half years.

When C H became a member of the Preparatory Committee at the turn of the year, he discussed with me and with the Chief Secretary Anson Chan and with his fellow members of the Executive Council whether there might not be a conflict of interest between his position on the Preparatory Committee and his position on the Executive Council. We urged him very strongly to stay. We thought that there shouldn't be a conflict of interest, but I know the question has worried him and it's of course been raised with me by other people. I answered questions on the subject on the first of February from Szeto Wah in the Legislative Council and the views I set out then I think that I would stand by and bear the closest scrutiny today.

Mr C H Tung came and saw me after the Zhuhai Preparatory Committee meeting and we discussed that conflict of interest which he felt and the correspondence exchange between us yesterday is the outcome. We're obviously sorry to see his departure from the Executive Council, but we understand his feelings and of course respect the integrity of his decision. I'm sure that we'll be able to continue to turn to him for advice from time to time and I'm sure that he will be a very good bridge between us and the Preparatory Committee. So we regret his departure, but are very grateful for all the work that he's done for Hong Kong as a member of the Executive Council.

Question: Is there any decision on his successor?

Governor: No.

Question: You said you understand that there is a conflict of interest between the ExCo and the Preparatory Committee. There may well be other people perhaps in the Legislative Council or even in the civil service or anyone. Do you feel that, you know, they can't be serving two masters at the same time. What do you suggest they should do?

Governor: I think his position was not quite the same as those which you referred to. I think for example he found it difficult - though you'll have to ask him about this - but I think he probably found it rather difficult to find himself in a position where he was discussing the outcome of meetings of the Preparatory Committee at Executive Council meetings and he was after all a vice-chairman of the Preparatory Committee. So I think his position was a particularly sensitive one. I would have hoped that he could have continued to serve on the Executive Council and worked a way out for these problems. But he's a man of great integrity and great intelligence and I respect his decision.

Question: Do you feel given his importance to your ... do you feel a sense of betrayal when he decided to leave ExCo?

Governor: Certainly not.

Question: (on replacement)

Governor: I don't know whether I want a replacement at all. There is no prescribed size to the Executive Council. It's been larger, it's been smaller. But we'll work out what we think is best for the relationship between the Administration and the Legislative Council and for the good government of Hong Kong in due course.

Question: Do you think his resignation is related to that he might be the coming Chief Executive?

Governor: I've seen what he says in his own statement and I take him at his word.

Question: It's slightly a follow-up from that question. Can you describe what is he like to work with? He is very quiet in public. Is he somebody you regard to have leadership quality?

Governor: Well, I've experienced in life that the wisest people aren't always those who make the most noise. He's a very good businessman. He has a marvellous network of international connections. He is very well known in the United States where he's, of course, led our community which attempts to promote trade with the United States. But he's known elsewhere as well. He's known well in Britain. He's known well in China and of course, his experience of working on the Executive Council has now given him a lot of knowledge about how government and the community works. He's always intelligent, he's always read his papers and contributes in a comradely fashion.

Question: You think he is an ideal candidate for the Chief Executive ...?

Governor: I am often tempted or rather asked to comment on the Chief Executive (Designate) and who it should be and I always quite properly decline to do so.

Question: (on successor)

Governor: I haven't taken a decision either not to or to appoint one.

Question: (on whether there are any further resignations)

Governor: No.

Question: Have you discussed...?

Governor: No.

Question: Do you think there is any pressure inside ExCo to force him to resign?

Governor: No. We all regard him as a very good colleague. Okay? Thanks very much indeed.

Question: What about the Civil Service pay rise?

Governor: I thought you were going to tell me. An announcement will be made later on today I think.

Question: Is it below or higher than the ... ?

Governor: It follows the normal criteria that we've applied. That is we try to ensure that people working in the civil service are treated in the same way that the private sector is treating its own employees.

End

#### Chief Secretary launches HK-USA'96 promotion

\* \* \* \* \*

The Chief Secretary, Mrs Anson Chan, completed her programme in Boston on Monday (Boston time) and moved on to New York to launch the HK-USA'96 promotion.

Before leaving Boston, she talked to the Boston Globe editorial board. She then had a roundtable discussion at the Fairbanks Centre of East Asia Studies and Kennedy School of Government at Harvard University in Cambridge, Massachusetts.

Following a luncheon with the President of Massachusetts Institute of Technology (MIT), Dr Charles Vest, and faculty members, Mrs Chan addressed a conference hosted by MIT's Sloan School of Management, moderated by author and economist Lester Thurow and attended by 300 academics and business executives at the new Jack C Tang Center for Management Education.

On her arrival in New York, the Chief Secretary launched the Hong Kong-USA'96 promotion and appeared as a guest of honour at a gala reception for 500 guests from the New York business and professional communities.

The reception, held in the American Wing of the prestigious Metropolitan Museum of Art, was also attended by the Hong Kong delegates currently in New York for the promotion.

The guests then attended a concert by the Hong Kong Chinese Orchestra playing a selection of Chinese traditional and folk pieces based on theatrical work and poetry in the auditorium at the Metropolitan Museum.

The 40-strong orchestra, led by music director and conductor, Mr Henry Shek, is touring the US as part of the promotional activities. The main concert will take place at the Lincoln Center on Wednesday (June 5, New York time).

Mrs Chan's programme in New York continues on Tuesday (New York time), with an early morning appearance on CNN, followed by briefings to the media, the Asia Society, the Council on Foreign Relations, and the National Committee on US-China Relations. She will call on the Mayor of New York later in the day.

Another major promotional activity later in the week is a day-long business conference.

The Hong Kong-USA'96 is presented by the Hong Kong Government, the Hong Kong Trade Development Council and the Hong Kong Tourist Association.

End

HK on solid ground to prepare for the 21st Century

\* \* \* \* \*

The Chief Secretary, Mrs Anson Chan, said Hong Kong could be as successful during the first half of 21st century, as it had been during the second half of 20th century, notwithstanding any difficulties that might cross its path.

Speaking at the Sloan School of Management, Massachusetts Institute of Technology (MIT), in Boston on Monday (Boston time), Mrs Chan said Hong Kong people had every intention to build on the promises of the Joint Declaration to make the territory's future as spectacularly successful as its past.

"We in Hong Kong have been preparing ourselves, preparing our institutions, not simply for China's resumption of sovereignty on July 1, next year, but for the 21st Century and beyond," Mrs Chan said.

She said her faith in Hong Kong was based on the sound foundations of its well-established institutions.

"The rule of law has been central to Hong Kong's economic and social success. To put it simply, Hong Kong has no higher priority than the preservation of the rule of law," said Mrs Chan.

"After 1997, Hong Kong will continue to live under its own discrete set of Statute Law and the Common Law. This is, I believe, the very essence of 'one country, two systems' and Hong Kong has prepared itself well for the legal aspects of the transition."

On the economy, Mrs Chan said Hong Kong itself had now become a technology and information-based service economy selling its professional services and expertise to China, to the region and to the world.

"Over 2,000 multi-national business have established their regional headquarters or offices in Hong Kong. The number continues to grow as Hong Kong strengthens its position as the region's leading services centre," she said.

"Much of this economic transformation has been led by businessmen, not bureaucrats.

"It is the businessmen's entrepreneurial skills and flair, their willingness to take risks coupled with the resilience and hard work of our labour force that have brought Hong Kong the prosperity which has in turn enabled our people to raise their standard of living."

She noted that a major study entitled "Made by Hong Kong" is being carried out by MIT.

"This study, which is jointly sponsored by public and private funds, will identify promising new industries for Hong Kong and will help our manufacturing sector find its way for the 21st century," she said.

Like Hong Kong's economy and its legal system, she said, Hong Kong's civil service was also ready for the transition.

"The process of localisation, of putting Hong Kong men and women in the upper echelon of the executive arm of the Government and the police force is largely complete.

"In the ebbs and flows of managing the political transition, the Hong Kong civil service has taken in its stride many difficult challenges.

"During my visits to Beijing, Chinese leaders have assured me that they appreciate and recognise the value of the Hong Kong civil service as a force for stability.

"They have confirmed the political neutrality of the civil service. They have asked all serving officials to remain in post to serve the people of Hong Kong," said Mrs Chan.

She said she believed China wanted Hong Kong to succeed as much for national pride as for self-interest.

"America and the rest of the world want Hong Kong to succeed because of their increasing stakes in Hong Kong and because we make a significant contribution to the generation of wealth and hence to stability in the region.

"This should be a win-win situation but it will need skilful handling, perseverance, trust and goodwill.

"Above all, we, the people of Hong Kong, need to remain true to ourselves and to the institutions and values which have brought health and vitality to our economy and our community," said Mrs Chan.

End

Civil servants offered 7.67% to 7.68% pay rise

\* \* \* \* \*

On the advice of the Governor-in-Council and subject to the approval of the Finance Committee, the administration has decided on a pay adjustment offer of 7.68 per cent for the directorate and the upper salary band of the civil service (i.e. monthly salary at \$38,211 and above) and 7.67 per cent for the middle and lower bands (i.e. monthly salary at \$38,210 and below), with effect from April 1.

The Secretary for the Civil Service, Mr W K Lam, made the offer today (Tuesday) to the staff sides of the civil service central consultative councils.

"The offer for the upper and middle bands is in line with the net pay trend indicators which reflect the average salary increases for private sector employees. The offer for the lower band is brought up to the same level as the middle band in line with the established practice," Mr Lam said.

In advising on the size of the offer, the Governor-in-Council took into account the findings of the pay trend survey, the staff sides' pay claims, the state of the economy, the budgetary position of the Government and the views of the community at large.

Despite some suggestions that the pay adjustment should be brought up to inflation this year, the Government considers there are no overriding reasons for doing so.

"The pay adjustment offer is the result of a careful balance between the Government's responsibility to civil servants as a good employer and its wider responsibility to the community," Mr Lam said.

The Government will make a final decision on the pay adjustment later this month following consultation with the central staff consultative councils.

End

New deputy HKMA chief appointed

\* \* \* \* \*

The Hong Kong Monetary Authority (HKMA) today (Tuesday) announced that the Financial Secretary has appointed Mr Norman Chan as Deputy Chief Executive with effect from last Saturday (June 1).

"I am very pleased with Mr Chan's appointment which will strengthen the senior management of the HKMA in dealing with many important strategic issues facing Hong Kong in the run up to 1997 and beyond.

"This is a crucial step to reinforce our efforts to develop Hong Kong as the premier financial centre in Asia," said the Chief Executive of HKMA, Mr Joseph Yam.

Mr Chan has filled a newly created Deputy Chief Executive post responsible for monetary management, market infrastructure including payment systems, development of debt market, administration and finance.

"I am very honoured to be appointed as Deputy Chief Executive and will make my best endeavours to assist the Chief Executive in meeting the challenges ahead - to deliver monetary stability and to enhance the efficiency and robustness of Hong Kong's financial market infrastructure," said Mr Chan.

Mr Chan joined the Government as an Administrative Officer in 1976. He was promoted to the rank of Administrative Officer Staff Grade B in 1992 while he was serving as Deputy Director, Office of the Exchange Fund.

He was appointed Executive Director in 1993 when the Office of the Exchange Fund and the Office of the Commissioner of Banking were merged to form HKMA.

End

New franchise for New Lantao Bus approved

\* \* \* \* \*

The Governor-in-Council today (Tuesday) approved in principle the terms of a new franchise for New Lantao Bus Company (1973) Limited (NLB) which would confer upon the company the right to operate a public bus service on eight routes for 10 years from April 1, 1997.

"Having regard to NLB's performance, and considering a longer franchise will enable the company to plan ahead and to secure the financial support of the banking sector for its investment, we have recommended that a franchise with a period of 10 years be granted to NLB", a government spokesman said.

He said a number of changes and several new provisions were incorporated into the new franchise, including a new requirement for a mid-term review.

"The mid-term review is to be conducted after the fourth year of the new franchise.

"Based on the results of such a review, the Governor-in-Council may, if the need arises, and with the consent of NLB, amend the terms of the franchise," he said.

He emphasised that the new provisions would enhance the Administration's role in monitoring NLB's services.

Since this was a major franchise straddling 1997, the Chinese side would be consulted before the actual award of the franchise, the spokesman added.

End

Funding for seven language projects awarded

\* \* \* \* \*

The Director of Education and Trustee of the Language Fund, Mrs Helen C P Lai Yu, today (Tuesday) approved funds about \$5.29 million for seven language improvement projects in the second round of the Fund's fourth allocation exercise.

Successful applications are a cross-language, four Chinese (including Putonghua) and two English language projects.

The cross-language project is to set up a multimedia language resource centre for language teachers in 1996-97. It was proposed by the Education Department and a total of \$4.5 million had been awarded.

The Chinese language projects include organising two essay competitions and promotional activities of Putonghua and providing moderately mentally handicapped students with training to strengthen their communication power.

The English ones are to develop instructional materials for intensive English courses for English-medium Secondary 6 and 7 students and a language-intensive interactive World Wide Web serialised drama package based on the findings of a research on grammatical and lexical problems encountered by local secondary students.

As today, 85 projects are supported by the Language Fund, involving a total of \$116.57 million.

The Fund, set up in May 1994 with an initial allocation of \$300 million, is to support proposals and initiatives aiming at improving Chinese (including Putonghua) and English language proficiency of the students and members of the public.

It also enhances existing efforts to meet temporary shortfalls in language teaching resources and encourages research into problem areas and initiation of new approaches.

End

#### Unlicensed clubhouse operator fined

\* \* \* \* \*

A clubhouse operator was fined \$20,000 by Eastern Magistracy today (Tuesday) after pleading guilty to operating an unlicensed club in Shek O.

The court heard that the operator of an establishment at 770 Shek O Village had submitted an application to the Home Affairs Department's Licensing Authority for a certificate of compliance.

The application, however, was rejected because the clubhouse was a temporary structure and it was located on unleased government land.

In February, officers of the Licensing Authority inspected the establishment and found it was being operated as a member's clubhouse without a certificate, contravening Section 5 of the Clubs (Safety of Premises) Ordinance.

A spokesman for the department reminded the public that anyone who operated a club without a certificate of exemption or a certificate of compliance was liable to a maximum fine of \$200,000 and two years' imprisonment.

He also stressed that enforcement action would continue to be taken against unlicensed clubhouses to ensure that they were being operated with proper regard for fire and structural safety.

End

Over 16,500 sale and purchase agreements lodged in May

\* \* \* \* \*

A total of 16,538 sale and purchase agreements for building units, including both residential and non-residential properties, were lodged with the Land Registry last month.

The figure represents an increase of 72.2 per cent from that of April this year and an increase of 41.7 per cent when compared with May last year.

The total consideration of these agreements in the month is \$46.60 billion; up 57.8 per cent and 27.8 per cent when compared with the amounts for April 1996 and May 1995 respectively.

The figures are contained in the monthly statistics released today (Tuesday) by the Land Registry on deeds relating to property transactions received for registration in the Urban and New Territories Land Registries last month.

Relevant statistics for April 1996 and May 1995 were provided for comparison. Figures on sale and purchase agreements received for the past 12 months and the year-on-year rate of change were also released.

These statistics generally relate to land transactions executed up to four weeks prior to their submission for registration, as there is usually a time lag between the execution of deeds and their lodgement for registration.

End

Hong Kong Monetary Authority tender results

\*\*\*\*\*

Tender date	4 June 96	4 June 96
Paper on offer	EF bills	EF bills
Issue number	Q623	H666
Issue date	5 June 96	5 June 96
Maturity date	4 Sept 96	4 Dec 96
Amount applied	HK\$5,670 MN	HK\$2,680 MN
Amount allotted	HK\$1,500 MN	HK\$800 MN
Average yield accepted	5.14 PCT	5.28 PCT
Highest yield accepted	5.15 PCT	5.29 PCT
Pro rata ratio	About 6 PCT	About 35 PCT
Average tender yield	5.16 PCT	5.30 PCT

Hong Kong Monetary Authority

Tenders to be held in the week beginning June 10, 1996 -

Tender date	10 June 96	11 June 96	11 June 96
Paper on offer	EF notes	EF bills	EF bills
Issue number	5106	Q624	Y690
Issue date	11 June 96	12 June 96	12 June 96
Maturity date	11 June 2001	11 Sept 96	11 June 97
Tenor	5 years	91 days	364 days
Amount on offer	HK\$500+100MN	HK\$1,500+300MN	HK\$500+150MN
Coupon	7.23 PCT		

End

Hong Kong Monetary Authority money market operations

\*\*\*\*\*

	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	2,730	0930	-770
Closing balance in the account	1,890	1000	-770
Change attributable to :		1100	-770
Money market activity	-770	1200	-770
LAF today	-70	1500	-770
		1600	-770

LAF rate 4.00% bid/6.00% offer TWI 124.2 \*+0.2\* 4.6.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	5.02	2 years	2805	6.30	100.07	6.36
1 month	5.05	3 years	3904	6.30	99.00	6.79
3 months	5.15	5 years	5103	6.75	97.74	7.45
6 months	5.28	7 years	7305	7.60	99.25	7.89
12 months	5.67	5 years	M502	7.30	99.21	7.65

Total turnover of EF bills and notes - \$16,226 million

Closed June 4, 1996

End