



DAILY INFORMATION BULLETIN

ISSUED BY GOVERNMENT INFORMATION SERVICES
BEACONSFIELD HOUSE, HONG KONG. TEL.: 842 8777

MONDAY, OCTOBER 28, 1991

<u>CONTENTS</u>	<u>PAGE NO.</u>
POPULATION INCREASES BY 11 PER CENT IN 10 YEARS	1
CONSUMER PRICE INDEXES FOR SEPTEMBER RELEASED	4
'UNTAGGED' VEGETABLES FROM CHINA DESTROYED	8
INSURERS URGED TO DEVELOP CODE OF SUPERVISION FOR AGENTS	8
CIVIL SERVANTS EXCHANGE PROGRAMME WITH CANADA	10
PAPER RECYCLING SCHEME IN NORTH DISTRICT	11
HISTORICAL ALBUM FOR HK TO BE ON SALE	12
SECOND COLUMBARIUM TO OPEN AT CAPE COLLINSON	13
WATER STORAGE FIGURE	13
HONG KONG GOVERNMENT EXCHANGE FUND MONEY MARKET OPERATIONS	14

MONDAY, OCTOBER 28, 1991

- 1 -

POPULATION INCREASES BY 11 PER CENT IN 10 YEARS

* * * * *

THE POPULATION OF HONG KONG HAS INCREASED BY 11 PER CENT OR 564,000 IN NUMBER OVER THE LAST DECADE TO 5,674,000, ACCORDING TO THE RESULTS OF THE 1991 POPULATION CENSUS.

THE RESULTS ALSO SHOWED THAT SIGNIFICANT IMPROVEMENTS HAD BEEN ACHIEVED IN EDUCATION, HOUSING AND THE INCOME OF THE POPULATION.

IN ADDITION, THERE WERE SUBSTANTIAL CHANGES IN THE GEOGRAPHIC DISTRIBUTION OF THE POPULATION AND THE INDUSTRIAL DISTRIBUTION OF THE WORKING POPULATION.

ANNOUNCING THE CENSUS RESULTS AT A PRESS CONFERENCE TODAY (MONDAY), THE COMMISSIONER FOR CENSUS AND STATISTICS, MR BENJAMIN MOK, SAID THE POPULATION GROWTH WAS SLOWER IN THE SECOND HALF OF THE DECADE THAN IN THE FIRST HALF.

HE SAID THE ANNUAL GROWTH RATE AVERAGED 1.5 PER CENT OVER THE PERIOD 1981-1986, BUT ONLY 0.6 PER CENT OVER THE PERIOD 1986-1991.

MR MOK SAID THE 1991 POPULATION CENSUS SHOWED A TOTAL OF 5,674,000 LOCAL RESIDENTS, 36,000 TRANSIENTS AND 52,000 VIETNAMESE MIGRANTS IN THE TERRITORY ON THE CENSUS REFERENCE DATE, MARCH 15 THIS YEAR.

THE 5.7 MILLION LOCAL RESIDENTS INCLUDED 5,522,000 RESIDENTS PRESENT IN HONG KONG AND 152,000 RESIDENTS TEMPORARILY AWAY FROM HONG KONG ON THAT DATE.

THE COMMISSIONER POINTED OUT THAT THERE WAS A SUBSTANTIAL REDISTRIBUTION OF POPULATION DURING THE LAST 10 YEARS.

THE RESIDENT POPULATION IN THE NEW TERRITORIES INCREASED MARKEDLY FROM 1.3 MILLION IN 1981 TO 2.4 MILLION THIS YEAR.

IN KOWLOON AND NEW KOWLOON, THE POPULATION DROPPED FROM 2.5 MILLION TO 2 MILLION IN THE PERIOD.

THE POPULATION ON HONG KONG ISLAND STABILISED AT ABOUT 1.2 MILLION.

"THE NEW TOWNS RECORDED THE LARGEST POPULATION GROWTH: SHA TIN QUADRUPLED ITS POPULATION SIZE WHILE BOTH TUEN MUN AND SAI KUNG TRIPLED THEIRS," MR MOK SAID.

ON THE OTHER HAND, THE COMMISSIONER SAID THE OLD URBAN AREAS SUCH AS YAU TSIM, MONG KOK, WAN CHAI AND WONG TAI SIN EXPERIENCED A SUBSTANTIAL POPULATION DECREASE, RESULTING IN A DECLINE IN POPULATION DENSITY.

MEANWHILE, THE POPULATION BECAME OLDER DURING THE LAST 10 YEARS WITH THE MEDIAN AGE RISING FROM 26 YEARS IN 1981 TO 32 YEARS THIS YEAR.

"THIS IS ATTRIBUTABLE TO A CONTINUAL FERTILITY DECLINE AND A MARKED MORTALITY IMPROVEMENT EXPERIENCED BY THE POPULATION," MR MOK SAID.

/COMPARING THE

COMPARING THE 1981 AND 1991 POPULATION PYRAMIDS, THE BASE OF THE 1991 PYRAMID SHRUNK OWING TO A REDUCTION IN THE PROPORTION OF CHILDREN UNDER AGE 15.

HOWEVER, THE APEX OF THE PYRAMID GREW BIGGER BECAUSE OF AN INCREASE IN THE PROPORTION OF THE ELDERLY AGED 65 AND OVER, HE EXPLAINED.

MR MOK ALSO SAID THE LABOUR FORCE INCREASED FROM 2.5 MILLION IN 1981 TO 2.8 MILLION THIS YEAR DESPITE A DROP IN THE OVERALL LABOUR FORCE PARTICIPATION RATE FROM 67 PER CENT IN 1981 TO 64 PER CENT THIS YEAR.

"AS A RESULT OF AGING OF THE POPULATION, THE LABOUR FORCE HAD BECOME OLDER, WITH ITS MEDIAN AGE INCREASING FROM 32 YEARS TO 34 YEARS IN THE PERIOD," HE SAID.

ABOUT ONE QUARTER OF THE WORKING POPULATION WERE MANAGERS, ADMINISTRATORS, PROFESSIONALS AND ASSOCIATE PROFESSIONALS, WHEREAS WORKERS IN ELEMENTARY OCCUPATIONS SUCH AS CLEANERS, MESSENGERS, WATCHMEN AND FREIGHT HANDLERS MADE UP ONE-FIFTH OF THE WORKING POPULATION.

MEANWHILE, THE INDUSTRIAL DISTRIBUTION OF THE WORKING POPULATION HAD ALSO CHANGED WITH A SIGNIFICANT DECREASE IN THE NUMBER OF WORKERS IN THE MANUFACTURING INDUSTRIES.

ON THE OTHER HAND, THE WHOLESALE, RETAIL, IMPORT AND EXPORT TRADES, RESTAURANTS, HOTELS AND SERVICES INDUSTRIES HAD SUBSTANTIAL INCREASES IN THEIR NUMBER OF WORKERS.

MR MOK ALSO POINTED OUT THAT THE INCOME OF WORKERS FROM MAIN EMPLOYMENT INCREASED SUBSTANTIALLY DURING THE LAST 10 YEARS.

THIS YEAR, THE MEDIAN PERSONAL EARNINGS WAS \$5,170 PER MONTH, REPRESENTING AN INCREASE OF 241 PER CENT OVER THAT IN 1981.

IN THE SAME PERIOD, THE INFLATION RATE AS MEASURED BY THE INCREASE IN CONSUMER PRICE INDEX (A) WAS 116 PER CENT.

"THIS SUGGESTS THAT THERE WAS A SUBSTANTIAL IMPROVEMENT IN THE EARNINGS OF WORKERS IN REAL TERMS," HE SAID.

ON EDUCATIONAL ATTAINMENT OF THE POPULATION, THE COMMISSIONER SAID THERE WAS A SUBSTANTIAL IMPROVEMENT.

HE SAID THE PROPORTION OF POPULATION WITH SECONDARY OR HIGHER EDUCATION INCREASED FROM 50 PER CENT IN 1981 TO 62 PER CENT THIS YEAR.

FOR TERTIARY EDUCATION THE PROPORTION INCREASED FROM SEVEN PER CENT TO ELEVEN PER CENT. FOR DEGREE COURSES, IN PARTICULAR, THE INCREASE WAS FROM THREE PER CENT TO SIX PER CENT.

THE COMMISSIONER ALSO SAID THE HOUSING CONDITIONS ALSO IMPROVED MARKEDLY DURING THE LAST 10 YEARS.

OVER THE SAME PERIOD OF COMPARISON, THE MEDIAN MONTHLY HOUSEHOLD INCOME ROSE FROM \$2,960 TO \$9,960, OR A 237 PER CENT INCREASE.

HOUSEHOLDS OWNING THEIR PREMISES INCREASED FROM 28 PER CENT IN 1981 TO 43 PER CENT THIS YEAR, HE SAID.

"THOSE WHO DID NOT LIVE IN THEIR OWN PREMISES PAID A MEDIAN RENT OF \$3,600 A MONTH FOR A PRIVATE FLAT IN 1991. THIS COMPARES WITH A MEDIAN RENT OF \$700 PAID FOR A UNIT IN PUBLIC AND AIDED HOUSING," HE SAID.

ABOUT 37 PER CENT OF HOUSEHOLDS LIVED IN PUBLIC AND AIDED HOUSING, WHICH WAS HIGHER THAN THE CORRESPONDING SHARE OF 33 PER CENT IN 1981.

FOR HOUSEHOLDS LIVING IN ESTATES OF THE HOME OWNERSHIP SCHEME, THE PROPORTION INCREASED FROM ONE PER CENT IN 1981 TO SEVEN PER CENT THIS YEAR.

THERE WAS A SIGNIFICANT DECLINE IN THE PERCENTAGE OF HOUSEHOLDS LIVING IN TEMPORARY HOUSING (FROM NINE PER CENT IN 1981 TO FOUR PER CENT THIS YEAR) AND IN ROOMS/BEDSPACES IN PRIVATE HOUSING BLOCKS (FROM 21 PER CENT IN 1981 TO EIGHT PER CENT IN 1991).

HE SAID THE AVERAGE DEGREE OF SHARING ALSO DROPPED FROM 1.2 HOUSEHOLDS PER LIVING QUARTERS TO 1.1.

THE AVERAGE HOUSEHOLD SIZE DECREASED FROM 3.9 PERSONS PER HOUSEHOLD IN 1981 TO 3.4 THIS YEAR.

"HOUSEHOLD COMPOSITION ALSO CHANGED SIGNIFICANTLY," HE SAID.

"THERE WERE MORE HOUSEHOLDS CONSISTING OF ONE UNEXTENDED NUCLEAR FAMILY, THAT IS, A MARRIED COUPLE WITH OR WITHOUT UNMARRIED CHILDREN OR A SINGLE PARENT WITH ONE OR MORE UNMARRIED CHILDREN," HE SAID.

HE ADDED THAT THE THE PROPORTION OF SUCH HOUSEHOLDS INCREASED FROM 54 PER CENT IN 1981 TO 62 PER CENT THIS YEAR.

AT THE SAME TIME, THE NUMBER OF HOUSEHOLDS CONSISTING OF ONE EXTENDED NUCLEAR FAMILY OR MULTIPLE NUCLEAR FAMILIES DROPPED SUBSTANTIALLY.

ON LANGUAGE SPOKEN AT HOME, MR MOK SAID CANTONESE WAS THE MOST COMMON ONE BEING USED BY 89 PER CENT OF THE POPULATION.

ANOTHER SEVEN PER CENT OF THE POPULATION CLAIMED THAT THEY COULD SPEAK THE DIALECT.

ENGLISH WAS SPOKEN AT HOME BY ONLY TWO PER CENT OF THE POPULATION, HOWEVER, ANOTHER 29 PER CENT REPORTED THAT THEY COULD SPEAK THE LANGUAGE.

THE COMMISSIONER SAID THESE AND OTHER SUMMARY FINDINGS OF THE 1991 POPULATION CENSUS WERE INCLUDED IN THE REPORT "HONG KONG 1991 POPULATION CENSUS SUMMARY RESULTS".

/MORE DETAILED

MORE DETAILED INFORMATION ON THE POPULATION WOULD BE PUBLISHED NEXT YEAR IN ANOTHER SERIES OF REPORTS, INCLUDING THE MAIN REPORT ON THE CENSUS.

THE ENGLISH VERSION OF THE REPORT "SUMMARY RESULTS" WOULD BE AVAILABLE FOR SALE TOMORROW (TUESDAY). THE CHINESE VERSION OF THE REPORT AND THE OTHER STATISTICAL REPORTS AND MAP PACKS WOULD BE AVAILABLE FOR SALE SOMETIME AFTER THE MIDDLE OF NEXT MONTH.

----- 0 -----

CONSUMER PRICE INDEXES FOR SEPTEMBER RELEASED

* * * * *

1984/85-BASED CPI'S (SEE TABLE 1)

THE 1984/85-BASED CPI(A) FOR SEPTEMBER 1991 WAS 11.5% HIGHER THAN IN SEPTEMBER 1990, ACCORDING TO THE FIGURES RELEASED BY THE CENSUS AND STATISTICS DEPARTMENT TODAY (MONDAY).

THIS WAS CONSIDERABLY LOWER THAN THE RATES OF INCREASE OF 12.6% IN JULY AND 12.7% IN AUGUST, AND WAS THE LOWEST RATE RECORDED SINCE FEBRUARY 1991.

THE 1984/85-BASED CPI(B) FOR SEPTEMBER 1991 WAS 11.2% HIGHER THAN IN SEPTEMBER 1990. THIS WAS ALSO LOWER THAN THE RATES OF INCREASE OF 11.9% IN JULY AND 12.0% IN AUGUST.

A SPOKESMAN FOR THE CENSUS AND STATISTICS DEPARTMENT SAID THERE HAD IN FACT BEEN A GRADUAL EASING IN INFLATIONARY PRESSURES SINCE APRIL THIS YEAR.

"THE PICK-UP IN THE INFLATION RATE IN JULY AND AUGUST WAS LARGELY DUE TO A TEMPORARY UPSURGE IN THE PRICES OF CERTAIN ESSENTIAL FOODSTUFFS," HE SAID.

"AS THESE TEMPORARY EFFECTS SUBSIDED, THE INFLATION RATE HAS RESUMED ITS EARLIER TREND OF EASING, MODERATING CONSIDERABLY TO 11.5 PER CENT IN SEPTEMBER, FROM 12.7 PER CENT IN THE PREVIOUS MONTH."

COMMENTING ON THE INDIVIDUAL PRICE COMPONENTS, THE SPOKESMAN SAID THE PRICES OF FRESH VEGETABLES IN SEPTEMBER 1991 WERE LOWER THAN A YEAR EARLIER AND THE INCREASE IN SCHOOL FEES WAS MORE MODERATE THIS TIME.

"IN ADDITION, AS PART OF THE GOVERNMENT'S COUNTER-INFLATION MEASURES ANNOUNCED EARLIER, RENTALS IN SOME PUBLIC HOUSING ESTATES, WHICH ARE NORMALLY RAISED IN THE MONTH OF SEPTEMBER, ARE FROZEN AT THE CURRENT LEVEL FOR THE REST OF THE YEAR," HE ADDED.

"A HIGH BASE OF COMPARISON IN SEPTEMBER 1990, LARGELY BECAUSE OF HIGHER OIL PRODUCT PRICES DUE TO THE GULF CRISIS, ALSO CONTRIBUTED IN PART TO THE SLOW-DOWN IN THE INFLATION RATE IN SEPTEMBER."

THE FINANCIAL SECRETARY WELCOMED THESE LATEST FIGURES AS "ENCOURAGING" BUT ADDED THAT INFLATION WAS STILL A SERIOUS PROBLEM AND WAS LIKELY TO MODERATE ONLY SLOWLY.

ON A YEAR-ON-YEAR COMPARISON, MORE MODERATE INCREASE WAS RECORDED IN THE FUEL AND LIGHT COMPONENT (3.2%), FOLLOWED BY DURABLE GOODS (3.9%); CLOTHING AND FOOTWEAR (6.1%); AND FOODSTUFFS, EXCLUDING MEALS BOUGHT AWAY FROM HOME (9.6%).

ON THE OTHER HAND, FASTER INCREASE WAS RECORDED IN THE ALCOHOLIC DRINKS AND TOBACCO FOR HOME CONSUMPTION (41.4%); SERVICES (13.9%); MEALS BOUGHT AWAY FROM HOME (13.2%); AND TRANSPORT AND VEHICLES (12.4%).

FOR THE PERIOD OF JANUARY TO SEPTEMBER 1991, THE AVERAGE CPI(A) AND AVERAGE CPI(B) INCREASED BY 12.4% AND 11.9% RESPECTIVELY OVER THE CORRESPONDING PERIOD OF 1990.

FOR THE 12 MONTHS ENDING SEPTEMBER 1991, THE CPI(A) AND CPI(B) WERE 12.1% AND 11.7% RESPECTIVELY HIGHER THAN IN THE 12 MONTHS ENDING SEPTEMBER 1990.

FOR SEPTEMBER 1991, THE 1984/85-BASED HANG SENG CPI WAS 10.1% HIGHER THAN IN SEPTEMBER 1990. FOR THE PERIOD OF JANUARY TO SEPTEMBER 1991, THE AVERAGE HANG SENG CPI INCREASED BY 11.4% OVER THE CORRESPONDING PERIOD OF 1990. FOR THE 12 MONTHS ENDING SEPTEMBER 1991, THE HANG SENG CPI WAS UP BY 11.5% COMPARED WITH THE 12 MONTHS ENDING SEPTEMBER 1990.

1989/90-BASED CPI'S (SEE TABLE 2)

THE 1989/90-BASED CPI(A) AND CPI(B) FOR SEPTEMBER 1991 BOTH INCREASED BY 0.7% COMPARED WITH AUGUST 1991. THIS WAS MAINLY DUE TO PRICE INCREASES IN THE SERVICES COMPONENT. SPECIFICALLY, THERE WERE INCREASES IN THE PRICES OF TEXTBOOKS, NURSERY CHARGES AND SCHOOL FEES.

WITHIN THE HOUSING COMPONENT, PUBLIC HOUSING RENTALS SHOWED VIRTUALLY NO CHANGE IN SEPTEMBER 1991 COMPARED WITH AUGUST 1991, WHILE PRIVATE HOUSING RENTALS RECORDED AN INCREASE.

AS FOR THE FOODSTUFFS COMPONENT, FOODSTUFFS (EXCLUDING MEALS BOUGHT AWAY FROM HOME) REGISTERED A DECLINE IN SEPTEMBER 1991 OVER AUGUST 1991, LARGELY DUE TO LOWER PRICES OF FRESH VEGETABLES. CHARGES FOR MEALS AT RESTAURANTS, HOWEVER, CONTINUED TO INCREASE.

THE 1989/90-BASED HANG SENG CPI FOR SEPTEMBER 1991 INCREASED BY 1.0% COMPARED WITH AUGUST 1991.

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

/MORE DETAILS

MORE DETAILS ARE GIVEN IN THE "CONSUMER PRICE INDEX REPORT" FOR SEPTEMBER 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.

FOR ENQUIRIES ABOUT THE INDEXES, PLEASE TELEPHONE THE CONSUMER PRICE INDEX SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL. 805 6403.

DETAILS REGARDING THE HANG SENG CPI ARE CONTAINED IN THE HANG SENG CPI REPORT ISSUED BY THE ECONOMIC RESEARCH DEPARTMENT OF HANG SENG BANK LTD.

TABLE 1 CONSUMER PRICE INDEXES (A) AND (B) (OCT. 84 - SEP. 85 = 100) FOR SEPTEMBER 1991 COMPARED WITH SEPTEMBER 1990

SECTION	(OCTOBER 1984 TO SEPTEMBER 1985 = 100)			
	CPI(A)		CPI(B)	
	INDEX FOR SEP. 91	% CHANGE OVER SEP. 90	INDEX FOR SEP. 91	% CHANGE OVER SEP. 90
FOODSTUFFS	164.1	+11.4	166.4	+11.7
MEALS BOUGHT AWAY FROM HOME	183.9	+13.2	184.5	+13.1
FOODSTUFFS, EXCLUDING MEALS BOUGHT AWAY FROM HOME	147.2	+9.6	148.6	+10.1
HOUSING	152.0	+11.3	146.0	+11.6
FUEL AND LIGHT	111.9	+3.2	111.2	+3.3
ALCOHOLIC DRINKS AND TOBACCO (FOR HOME CONSUMPTION)	223.3	+41.4	220.9	+38.9
CLOTHING AND FOOTWEAR	154.4	+6.1	158.8	+6.8
DURABLE GOODS	131.3	+3.9	130.3	+3.9
MISCELLANEOUS GOODS	149.6	+7.6	149.8	+7.2
TRANSPORT AND VEHICLES	176.4	+12.4	174.8	+11.4
SERVICES	191.9	+13.9	189.2	+13.5
ALL ITEMS	162.3	+11.5	161.2	+11.2

THE 1984/85-BASED CONSUMER PRICE INDEXES ARE BASED ON THE EXPENDITURE PATTERNS DERIVED FROM THE 1984/85 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 \$2,000-\$6,499 A MONTH IN 1984/85.

THE CPI(B) IS BASED ON THE EXPENDITURE PATTERN OF THE NEXT 30% OF URBAN HOUSEHOLDS, WHICH HAD AN AVERAGE MONTHLY EXPENDITURE OF \$6,500-\$9,999 IN THE SAME PERIOD.

(THE 1984/85-BASED HANG SENG CPI IS BASED ON THE EXPENDITURE PATTERN OF ABOUT 10% OF URBAN HOUSEHOLDS WHICH HAD AN AVERAGE MONTHLY EXPENDITURE OF \$10,000-\$24,999 IN 1984/85.)

TABLE 2 CONSUMER PRICE INDEXES (A) AND (B) (OCT. 89 - SEP. 90 = 100)
FOR SEPTEMBER 1991 COMPARED WITH AUGUST 1991

SECTION	(OCTOBER 1989 TO SEPTEMBER 1990 = 100)			
	CPI(A)		CPI(B)	
	INDEX FOR SEP. 91	% CHANGE OVER AUG. 91	INDEX FOR SEP. 91	% CHANGE OVER AUG. 91
FOODSTUFFS	116.9	+0.1	117.4	+0.3
MEALS BOUGHT AWAY FROM HOME	119.4	+0.5	119.4	+0.5
FOODSTUFFS, EXCLUDING MEALS BOUGHT AWAY FROM HOME	114.5	-0.3	114.5	-0.1
HOUSING	119.0	+0.6	118.5	+0.5
FUEL AND LIGHT	108.8	+0.3	108.4	+0.3
ALCOHOLIC DRINKS AND TOBACCO (FOR HOME CONSUMPTION)	145.1	-0.3	138.3	-0.4
CLOTHING AND FOOTWEAR	107.3	+0.2	108.3	+0.1
DURABLE GOODS	104.7	+0.3	104.2	+0.9
MISCELLANEOUS GOODS	108.2	+0.3	107.6	+0.3
TRANSPORT AND VEHICLES	118.7	+0.1	118.1	+0.1
SERVICES	121.0	+4.7	119.2	+3.6
ALL ITEMS	116.8	+0.7	116.1	+0.7

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.

(THE 1989/90-BASED HANG SENG CPI IS BASED ON THE EXPENDITURE PATTERN OF ABOUT 10% OF URBAN HOUSEHOLDS WHICH HAD AN AVERAGE MONTHLY EXPENDITURE OF \$17,500-\$37,499 IN 1989/90.)

'UNTAGGED' VEGETABLES FROM CHINA DESTROYED

* * * * *

DEPARTMENT OF HEALTH'S STAFF AT THE MAN KAM TO BORDER CHECKPOINT THIS (MONDAY) MORNING INTERCEPTED A LORRY-LOAD (TOTALLING 1,402 KILOGRAMS) OF LETTUCE AND SPINACH IMPORTED FROM CHINA WHICH WAS NOT TAGGED FOR IDENTIFICATION.

ALL THESE VEGETABLES WERE SURRENDERED TO THE DEPARTMENT AND SUBSEQUENTLY DESTROYED.

ANNOUNCING THIS, THE ASSISTANT DIRECTOR OF HEALTH (HYGIENE), DR M.B. ALI, SAID SAMPLES HAD ALSO BEEN SENT TO THE LABORATORY FOR TESTING TO SEE IF ANY LEGAL ACTION WAS REQUIRED.

THE CHINESE AUTHORITIES HAD BEEN INFORMED OF THE INCIDENT FOR THEIR NECESSARY ACTION.

DR ALI STRESSED THAT ALTHOUGH THIS INCIDENT WAS AN ISOLATED ONE, INSPECTORATE STAFF AT THE BORDER WOULD ALWAYS BE ON FULL ALERT AND TAKE PROMPT AND APPROPRIATE ACTIONS AGAINST UNSCRUPULOUS IMPORTERS.

HE ALSO URGED MEMBERS OF THE PUBLIC TO TAKE PRECAUTION TO WASH AND COOK VEGETABLES THOROUGHLY BEFORE CONSUMPTION.

- - - - 0 - - - -

INSURERS URGED TO DEVELOP CODE OF SUPERVISION FOR AGENTS

* * * * *

THE OPERATION, CONDUCT AND CONTROL OF WHAT ARE GENERALLY CALLED "INSURANCE AGENTS" IS ONE OF THE TWO MAJOR CONCERNS THAT THE OFFICE OF THE COMMISSIONER OF INSURANCE IS ADDRESSING, THE COMMISSIONER OF INSURANCE, MR DEREK SULLIVAN, SAID TODAY (MONDAY).

SPEAKING AT A LUNCHEON OF THE INSURERS CLUB, MR SULLIVAN SAID THE OTHER IMMEDIATE CONCERN OF HIS OFFICE RELATED TO GENERAL UNDER-RESERVING BY INSURERS IN THE COMPULSORY LINES OF BUSINESS, THAT IS MOTOR AND EMPLOYEES' COMPENSATION; PARTICULARLY WITH EMPLOYEES' COMPENSATION.

REGARDING THE "INSURANCE AGENTS," MR SULLIVAN SAID THE AGENTS WERE ESSENTIALLY SALES PERSONNEL, WHO, IN A MAJORITY OF CASES, REPRESENTED THE ONLY CONTACT THAT THE INDIVIDUAL PERSONAL LINE INSURANCE CONSUMER HAD WITH THE INSURANCE MARKET.

"ALTHOUGH UNDOUBTEDLY THERE ARE MANY HIGHLY PROFESSIONAL INSURANCE AGENTS IN THE MARKET PROVIDING A FIRST CLASS SERVICE, THERE ARE NEVERTHELESS ALSO VERY MANY WHO DO NOT FALL INTO THIS CATEGORY.

"THE INCIDENTS OF VARIOUS PROBLEMS RESULTING FROM THE ACTIVITIES OF INSURANCE AGENTS APPEAR TO BE RISING," MR SULLIVAN SAID.

/MR SULLIVAN

MR SULLIVAN NOTED THAT OF THE SIX LIQUIDATIONS THAT TOOK PLACE OVER THE PAST 18 MONTHS, AT LEAST THREE CASES WERE AGENCY-RELATED.

HE URGED THE INSURERS TO ESTABLISH THE INSURERS CODE OF SUPERVISION FOR AGENTS AND THE DEVELOPMENT OF A REGISTER OF AGENTS.

MR SULLIVAN POINTED OUT THAT SELF-REGULATION COULD OF COURSE GO SOME CONSIDERABLE WAY IN AVOIDING THE DANGERS OF OVER-REGULATION.

"MY OFFICE HAS GIVEN ITS SUPPORT TO THE INDUSTRY FOR THESE SELF-REGULATORY MOVES. IT IS NOW VERY TIMELY FOR DEVELOPMENTS IN THIS AREA TO TAKE PLACE," HE SAID.

HE NOTED THAT THE HONG KONG SOCIETY OF INSURANCE BROKERS LIMITED AND THE HONG KONG INSURANCE BROKERS ASSOCIATION MERGED TO FORM THE HONG KONG CONFEDERATION OF INSURANCE BROKERS LIMITED, A HIGHLY PROFESSIONAL ASSOCIATION OF QUALIFIED EXPERIENCED PROFESSIONAL INDEPENDENT INTERMEDIARIES.

HE SAID THE GOVERNMENT WARMLY SUPPORTED THE FORMATION OF THE CONFEDERATION.

"MEMBERS OF THE PUBLIC PLACING THEIR INSURANCE THROUGH A MEMBER OF THE CONFEDERATION WILL BE ASSURED OF GETTING EXPERT ADVICE SUPPLIED BY INDEPENDENT INTERMEDIARIES WHO ARE PROFESSIONALLY QUALIFIED TO GIVE THAT ADVICE, HAVE OBTAINED PROFESSIONAL INDEMNITY INSURANCE, HAVE GUARANTEED PROFESSIONAL LEVELS OF SERVICE AND COMPLY WITH STRICT RULES REGARDING THE HANDLING OF THEIR CLIENTS' MONEY," HE SAID.

ON UNDER-RESERVING, MR SULLIVAN SAID THE SERIOUSNESS OF THE GENERAL UNDER-RESERVING BY INSURERS IN THE COMPULSORY LINES OF BUSINESS WAS, IN MANY CASES, EXACERBATED BY THE LIMITED CAPITAL BASES OF THE INSURERS CONCERNED.

"THE INSURANCE AUTHORITY IS NOW INCREASINGLY REQUIRING THOSE INSURERS WHERE IT IS CONSIDERED THAT UNDER-RESERVING IS A PROBLEM TO UNDERTAKE INDEPENDENT ACTUARIAL INVESTIGATIONS AS TO THE ADEQUACY OF THE OUTSTANDING CLAIMS AND UNEXPIRED RISKS RESERVES.

"IN EACH CASE WHERE AN INDEPENDENT ACTUARIAL INVESTIGATION HAS BEEN REQUIRED, SIGNIFICANT UNDER-RESERVING HAS BEEN REVEALED, IN SOME CASES TO AN EXTENT WHICH SERIOUSLY THREATENS THE FINANCIAL SECURITY OFFERED TO THE POLICY HOLDERS BY THE INSURERS CONCERNED.

"REMEDIAL MEASURES ARE BEING TAKEN BUT THERE IS, I BELIEVED, A NEED FOR GREATER PROFESSIONAL DISCIPLINE BY INSURERS WHICH TRANSACT SIGNIFICANT VOLUMES OF BUSINESS IN THE MORE DIFFICULT TO UNDERWRITE AND MANAGE LINE OF BUSINESS.

"THE REQUIREMENT FOR AN INDEPENDENT ACTUARIAL VALUATION OF THE ADEQUACY OF GENERAL BUSINESS RESERVES WILL BE AN ONGOING FEATURE OF THE SUPERVISORY SYSTEM IN HONG KONG, ALTHOUGH SUCH REQUIREMENTS WILL CONTINUE TO BE MADE ON A SELECTIVE BASES," HE SAID.

LOOKING INTO THE FUTURE OF THE INSURANCE INDUSTRY, MR SULLIVAN SAID THE HONG KONG MARKET WAS ONE OF THE FEW REGIONAL MARKETS THAT HAD ENJOYED CONSISTENT OVERALL PROFITABILITY OVER THE PAST YEARS.

"THE FUTURE OF THE HONG KONG INSURANCE MARKET, MUST OF COURSE, BE LOOKING AT NOT JUST FROM THE VIEWPOINT OF IMMEDIATE PROFITABILITY, BUT ALSO FROM THAT TO LONG TERM PROFITABILITY.

"OVER THE NEXT 12 MONTHS, IT IS LIKELY THAT THERE WILL BE AT LEAST THREE MAJOR INTERNATIONAL INSURERS JOINING THE MARKET.

"TO OBTAIN AUTHORISATION IN HONG KONG TODAY, IT IS NECESSARY FOR THE APPLICANT INSURERS TO DEMONSTRATE, AMONGST OTHER THINGS, THAT IT WILL DEVELOP, AND MAINTAIN, A SUBSTANTIAL APPROPRIATE LOCAL OPERATIONAL ESTABLISHMENT.

"THIS ESTABLISHMENT WILL INVOLVE INITIAL SETUP AND ONGOING OPERATIONAL COST, THAT IS AN INITIAL INVESTMENT WHICH IN TURN REQUIRES THE POTENTIAL APPLICANTS TO TAKE A LONG TERM VIEW OF ITS POSITION IN THE MARKET," HE SAID.

MR SULLIVAN SAID THOSE THREE MAJOR INSURERS HAD TAKEN A LONG TERM VIEW OF HONG KONG AND SAW IT AS A GOOD AND PROFITABLE PLACE TO DO BUSINESS IN FUTURE YEARS.

"I AM IN FULL AGREEMENT WITH THEIR JUDGEMENT," HE ADDED.

- - - - 0 - - - -

CIVIL SERVANTS EXCHANGE PROGRAMME WITH CANADA

* * * * *

CIVIL SERVANTS IN HONG KONG WILL SOON HAVE A CHANCE TO BROADEN THEIR MANAGEMENT EXPERIENCE AND TO SHARE EXPERTISE WITH THEIR CANADIAN COUNTERPARTS UNDER A STAFF EXCHANGE PROGRAMME BETWEEN THE HONG KONG AND THE CANADIAN GOVERNMENTS.

ANNOUNCING THIS TODAY (MONDAY), THE SECRETARY FOR THE CIVIL SERVICE, MR BARRIE WIGGHAM, SAID THE AIM OF THE EXCHANGE PROGRAMME WAS TO ENRICH AND BROADEN THE EXPOSURE OF PERSONNEL EMPLOYED IN THE HONG KONG AND THE CANADIAN CIVIL SERVICES.

"THE PROGRAMME WILL BRING A NEW DIMENSION TO THE EXISTING RANGE OF ON-THE-JOB TRAINING FOR CIVIL SERVANTS IN HONG KONG," MR WIGGHAM SAID.

IN ADDITION TO THE EXCHANGE PROGRAMME, THE TWO SIDES WILL ALSO UNDERTAKE AND ENCOURAGE CO-OPERATION IN OTHER AREAS OF CIVIL SERVICE PERSONNEL MANAGEMENT, WITH SPECIAL ATTENTION TO DEVELOPMENT AND TRAINING.

UNDER THE EXCHANGE PROGRAMME, EACH SIDE WILL PROVIDE A LIST OF PRIORITY AREAS FOR INCOMING AND OUTGOING ASSIGNMENTS.

THE DURATION OF EACH ASSIGNMENT WILL NORMALLY BE BETWEEN SIX MONTHS TO ONE YEAR, BUT THE ARRANGEMENTS WILL BE FLEXIBLE TO ALLOW FOR EXTENSION OR ABBREVIATION BY MUTUAL CONSENT.

/HE SAID

MONDAY, OCTOBER 28, 1991

- 11 -

HE SAID THE ASSIGNEES WOULD BE REGARDED AS BEING ON LOAN FROM THE SENDING PARTY TO THE RECEIVING PARTY FOR TRAINING. THE ASSIGNEES WOULD BE SUBJECT TO THE GENERAL OFFICE RULES AND PRACTICES OF THE RECEIVING SIDE.

THE PROGRAMME IS EXPECTED TO START TOWARDS THE END OF THE YEAR. THE INTENTION IS THAT INITIALLY, TWO DIRECTORATE OFFICIALS WILL BE SELECTED FROM THE CIVIL SERVICE TO TAKE PART IN THE PROGRAMME.

"THROUGH THE SHARING OF EXPERTISE AND THE BROADENING OF EXPOSURE, NEW INSIGHTS WILL BE BROUGHT TO THE WAY THE CIVIL SERVICE IN HONG KONG IS RUN SO THAT CIVIL SERVANTS WILL BE BETTER EQUIPPED TO MEET THE CHANGING NEEDS AND THE NEW CHALLENGES AHEAD," MR WIGGHAM SAID.

- - - - 0 - - - -

PAPER RECYCLING SCHEME IN NORTH DISTRICT

* * * * *

THE NORTH DISTRICT CIVIC EDUCATION COMMITTEE WILL START A PAPER RECYCLING SCHEME NEXT MONTH TO ENCOURAGE LOCAL RESIDENTS TO SAVE WASTEPAPER.

A SPOKESMAN FOR THE COMMITTEE SAID TODAY (MONDAY) THAT THE PROJECT WAS PART OF THE NORTH DISTRICT CIVIC EDUCATION DAY ACTIVITIES AIMED AT PROMOTING ENVIRONMENTAL PROTECTION, ESPECIALLY IN PUBLIC AND PRIVATE HOUSING ESTATES.

"CAGES WILL BE PLACED IN THESE ESTATES DURING SPECIFIC HOURS BETWEEN NOVEMBER 2 AND 24 TO COLLECT OUTDATED NEWSPAPERS FROM RESIDENTS," HE SAID.

"THESE PAPERS WILL BE RECYCLED TO HELP REDUCE WASTAGE OF NATURAL RESOURCES," HE ADDED.

THE SPOKESMAN SAID THE COMMITTEE HAD WRITTEN TO MUTUAL AID COMMITTEES AND RESIDENTS' ORGANISATIONS IN THE DISTRICT TO SEEK THEIR SUPPORT FOR THE SCHEME.

THE COLLECTION HOURS ARE AS FOLLOWS:

DATE	TIME	VENUE
----	----	-----
NOVEMBER 2 (SATURDAY)	9 AM - 12.30 PM 2 PM - 5.30 PM	CHOI YUEN ESTATE TAI PING ESTATE
NOVEMBER 3 (SUNDAY)	9 AM - 12.30 PM 2 PM - 5.30 PM	CHOI PO COURT YUK PO COURT
NOVEMBER 10 (SUNDAY)	9 AM - 12.30 PM 2 PM - 5.30 PM	TIN PING ESTATE ON SHING COURT

/NOVEMBER 17

MONDAY, OCTOBER 28, 1991

- 12 -

NOVEMBER 17 (SUNDAY)	9 AM - 12.30 PM 2 PM - 5.30 PM	TSUI LAI GARDEN WAH MING ESTATE
NOVEMBER 23 (SATURDAY)	9 AM - 12.30 PM 2 PM - 5.30 PM	SHEK WU HUI LUEN WO HUI
NOVEMBER 24 (SUNDAY)	9 AM - 12.30 PM 2 PM - 5.30 PM	CHEUNG WAH ESTATE FANLING CENTRE

ENQUIRIES CAN BE MADE ON TEL. 675 1584.

- - - - 0 - - - -

HISTORICAL ALBUM FOR HK TO BE ON SALE

* * * * *

THE POSTMASTER GENERAL, MR DOMINIC S.W. WONG, ANNOUNCED TODAY (MONDAY) THAT A 150TH ANNIVERSARY HISTORICAL ALBUM WILL BE ON SALE ON NOVEMBER 8.

BARONESS LYDIA DUNN WILL OFFICIATE AT A CEREMONY ON THAT DAY TO LAUNCH THE SALES OF THE ALBUM AT THE GENERAL POST OFFICE, FIRST FLOOR, 2 CONNAUGHT PLACE AT 10 AM.

THE HISTORICAL ALBUM OUTLINES THE HISTORY OF THE HONG KONG POST OFFICE AND POSTAL SERVICES IN THE PAST ONE-AND-A-HALF CENTURIES, AND PROVIDES SPACE FOR THE INSERTION OF SPECIAL STAMPS ISSUED SINCE SEPTEMBER 1987.

THESE STAMPS ARE SOLD TOGETHER WITH THE ALBUM.

THE HIGH QUALITY PUBLICATION IS SUPERBLY PRESENTED IN HARD COVER WITH GOLD BLOCKING AND PROTECTED BY A FULL CLOTH BOUND SLIP-CASE. THE SELLING PRICE IS \$340.

"WHILE THIS IS ANOTHER PRODUCT TO COMMEMORATE OUR 150TH ANNIVERSARY, THE PRESTIGE PUBLICATION WILL BE A VALUABLE ITEM FOR BOTH PHILATELISTS AND HISTORY COLLECTORS INSIDE AND OUTSIDE HONG KONG. I EXPECT GREAT DEMAND FOR IT," MR WONG SAID.

SALES WILL COMMENCE AFTER THE CEREMONY (AROUND 10.30 AM) AND AT THE PHILATELIC COUNTERS OF THE FOLLOWING POST OFFICES:

AIRPORT POST OFFICE

BEACONSFIELD HOUSE POST OFFICE

GENERAL POST OFFICE

GRANVILLE ROAD POST OFFICE

/PEAK POST

PEAK POST OFFICE

SHA TIN CENTRAL POST OFFICE

TSIM SHA TSUI POST OFFICE

IN VIEW OF THE EXPECTED STRONG DEMAND, MEMBERS OF THE PUBLIC ARE REQUESTED TO NOTE THAT A RESTRICTION OF THREE ALBUMS PER CUSTOMER WILL BE IMPOSED ON THE FIRST DAY OF SALES.

- - - - 0 - - - -

SECOND COLUMBARIUM TO OPEN AT CAPE COLLINSON

* * * * *

A NEW MULTI-STOREY COLUMBARIUM AT THE CHAI WAN CHINESE PERMANENT CEMETERY WILL BE OFFICIALLY OPENED TOMORROW (TUESDAY).

DEVELOPED BY THE BOARD OF MANAGEMENT OF THE CHINESE PERMANENT CEMETERIES, THIS IS THE SECOND REPOSITORY IN THE CEMETERY.

CONSTRUCTED ON A SLOPE, THE 12-STOREY BUILDING IS FINISHED IN TRADITIONAL CHINESE ARCHITECTURAL STYLE.

THE COLUMBARIUM COMPRISES NINE LEVELS OF ORDINARY NICHE CHAMBERS, ONE LEVEL OF FAMILY NICHES AND TWO LEVELS OF A NEWLY-DESIGNED INDOOR OSSUARY NICHE CHAMBER.

AN ELEVATOR AND A SPECIALLY DESIGNED TOILET FOR THE AGED AND DISABLED HAVE ALSO BEEN INCLUDED IN THE DESIGN.

THE CHAI WAN SECOND COLUMBARIUM WILL BE OFFICIALLY OPENED BY THE SECRETARY FOR HOME AFFAIRS, MR PETER TSAO, TOMORROW (TUESDAY) MORNING.

ATTENTION NEWS EDITORS:

YOU ARE INVITED TO COVER THE OPENING CEREMONY OF THE NEW COLUMBARIUM AT CAPE COLLINSON ROAD, CHAI WAN, AT 11 AM TOMORROW (TUESDAY).

- - - - 0 - - - -

WATER STORAGE FIGURE

* * * * *

STORAGE IN HONG KONG'S RESERVOIRS AT 9 AM TODAY (MONDAY) STOOD AT 47.7 PER CENT OF CAPACITY OR 279.310 MILLION CUBIC METRES.

THIS TIME LAST YEAR THE RESERVOIRS CONTAINED 329.657 MILLION CUBIC METRES OF WATER, REPRESENTING 56.2 PER CENT OF CAPACITY.

- - - - 0 - - - -

HONG KONG GOVERNMENT EXCHANGE FUND
MONEY MARKET OPERATIONS

* * * * *

	DATE -----	\$ MILLION -----
CLOSING BALANCE IN THE ACCOUNT ON	26.10.91	600
EFFECT OF FORWARDS TO BE SETTLED ON	28.10.91	-185
EFFECT OF OPERATIONS THIS MORNING		+185
EFFECT OF OPERATIONS THIS AFTERNOON		NEUTRAL

TRADE WEIGHTED INDEX 112.3 *+0.2* 28.10.91

HONG KONG GOVERNMENT EXCHANGE FUND

CLOSING YIELDS OF EXCHANGE FUND BILLS

	25.10.91	28.10.91
MATURING IN 1 WEEK	3.96 PCT	4.01 PCT
1 MONTH	4.23 PCT	4.21 PCT
3 MONTHS	4.47 PCT	4.47 PCT
6 MONTHS	5.03 PCT	5.10 PCT
12 MONTHS	5.95 PCT	6.13 PCT
TOTAL TURNOVER	3,430 MN	7,515 MN