



DAILY INFORMATION BULLETIN

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Transcript of the acting Governor's media session

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Following is the transcript of the remarks (English) made to reporters by the acting Governor, Mrs Anson Chan, after visiting the Highways Department this (Thursday) afternoon:

Question: Why was the meeting between you and Liu Zhenwu cancelled?

Acting Governor: This is a working visit like previous military visits. The arrangements have been made through the Joint Liaison Group on both sides. And the last visit by General Liu was very successful. I'm sure this one will be equally successful. The main purposes of these visits are of course to give the Chinese side - General Liu and his colleagues - a better understanding of how the Government operates and in particular how the British garrison operates in Hong Kong. I'm afraid that on this occasion there won't be an opportunity to meet with General Liu, but I'm sure he will be visiting Hong Kong quite regularly in future and I'm sure that at some time soon we will meet.

Question: (on guidelines issued to civil servants)

Acting Governor: Several points I want to make. First of all I think the important thing from the civil service point of view and from the wider community's interest point of view is that we maintain the political neutrality of the civil service. What we attempt to do within the civil service is to strike a proper balance -- it's not an easy balance to strike -- but I think we've got the balance just about right between the rights of individual civil servants and the public interest. I'm particularly keen not to place civil servants in an invidious position; I'm particularly keen to avoid any potential conflict of interest. The guidelines that we have issued have of course applied ever since 1990 I believe, so they are nothing new. And on the whole judging from the comments of those groups involved, I would just repeat that I think we've got the balance about right.

End

Two countries resume acceptance of HKCI

* * * * *

Two countries - the United Arab Emirates and Hungary - have resumed acceptance of the Hong Kong Certificate of Identity (HKCI) for visa purposes, the Government announces today (Thursday).

"With immediate effect, the HKCI is acceptable to the United Arab Emirates Government for visit visa purpose for up to 14 days," the spokesman said.

"As for Hungary, the Hungarian authorities will enter visas directly in HKCI with effect from next month (September) on a date yet to be determined.

"As an interim measure, Hungarian embassies will issue visas to holders of HKCI on separate 'Confirmations of Identity'."

The spokesman welcomed the measures taken by the governments of the two countries.

"The efforts made by the Hong Kong Government in securing the recognition of the HKCI by other countries reflect the great importance it attaches to the convenience of travel for Hong Kong residents which has an important bearing on the economy of Hong Kong.

"The measures are beneficial to the development of trade, business and tourism between Hong Kong and United Arab Emirates as well as Hungary," he said.

The spokesman stressed that the Government would continue to strive for a greater degree of travel convenience for holders of the British National (Overseas) and Hong Kong Special Administrative Region passports and HKCI.

End

Acting Governor sees Highways Department's work

* * * * *

The acting Governor, Mrs Anson Chan, visited the Highways Department this (Thursday) afternoon to see for herself the work of the department.

She was greeted by the Director of Highways, Mr Leung Kwok-sun, and the Deputy Director of Highways, Mr Hsu Tse-lin.

While touring the offices, she was briefed by the department's directorate staff on the works of their respective areas, including airport and port access projects, Lantau fixed crossing project and major works projects such as Tuen Mun Road improvement works, Hung Hom bypass and Lung Cheung Road/Ching Cheung Road improvement works.

Models of some of these projects were also inspected by Mrs Chan.

Mrs Chan was also briefed on the recent and future development of railway developments in the territory and called on the department's Reporting Centre and Emergency Control Centre.

After the tour in Highways Department headquarters, Mrs Chan went to the Princess Margaret Hospital Government School of General Nursing and Quarters to obtain an updated brief from Highways officials on Airport Core Programme works in Kwai Chung.

End

Statistics on trade involving outward processing in China

* * * * *

In the first quarter of 1996, 43% of Hong Kong's total exports to China were for outward processing; the figure was 71% for domestic exports, and 39% for re-exports.

On the other hand, 82% of Hong Kong's imports from China were related to outward processing, according to statistics released today (Thursday) by the Census and Statistics Department.

Over the same period, 86% of Hong Kong's re-exports of China origin to all countries other than China were produced through outward processing in China.

The corresponding proportions in the first quarter of 1995 were 49% for total exports to China, 68% for domestic exports to China, 45% for re-exports to China, 76% for imports from China and 83% for re-exports of China origin to all countries other than China.

To provide a better understanding of the nature and importance of outward processing in China initiated by Hong Kong firms, the Census and Statistics Department has been conducting a sample survey as from the third quarter of 1988 to distinguish Hong Kong's exports to China into those which are for outward processing and those which are not.

The scope of the survey has been extended as from the first quarter of 1989 to segregate Hong Kong's imports from China into those which are related to outward processing and those which are not. Starting from the first quarter of 1991, the scope of the survey has further been extended to cover Hong Kong's re-exports of China origin to all countries other than China.

The results for the first quarter of 1996 are now available.

In value terms, \$45,483 million of Hong Kong's total exports to China in the first quarter of 1996 were for outward processing, representing a decrease of 4% over the first quarter of 1995. The value of domestic exports to China for outward processing decreased by 1% to \$8,915 million while the value of re-exports to China for outward processing dropped by 4% to \$36,568 million.

Over the same period of comparison, the value of imports from China related to outward processing increased by 12% to \$98,117 million. On the other hand, \$116,587 million of Hong Kong's re-exports of China origin to all countries other than China were produced through outward processing in China, representing an increase of 11%.

For the purpose of the survey, exports to China for outward processing refer to raw materials or semi-manufactures exported from or through Hong Kong to China for processing with a contractual arrangement for subsequent re-importation of the processed goods into Hong Kong.

Imports from China related to outward processing refer to processed goods imported from China of which all or part of the raw materials or semi-manufactures have been under contractual arrangement exported from or through Hong Kong to China for processing.

Re-exports of China origin to all countries other than China involving outward processing in China refer to processed goods re-exported through Hong Kong of which all or part of the raw materials or semi-manufactures have been exported from or through Hong Kong to China for processing with a contractual arrangement for subsequent re-importation of the processed goods into Hong Kong.

In interpreting the statistics, it should be noted that the value and proportion of imports from China and re-exports of China origin to all countries other than China involving outward processing in China refer to those of the entire goods instead of just the value added contributed by outward processing in China.

A sample of trade declarations in respect of Hong Kong's trade with China (domestic exports and re-exports to China, and imports from China) as well as Hong Kong's re-exports of China origin to all countries other than China is selected for enumeration to obtain the required information from the establishments concerned.

A spokesman for the Census and Statistics Department explained that under the internationally accepted system of recording trade flows, all movements of goods (except transshipments and goods-in-transit) across the border, whether for outward processing or not, were recorded as external trade. Thus the movements of goods associated with outward processing are correctly included in the regular trade statistics.

The findings of the survey, however, facilitate a more informed analysis of the nature of Hong Kong-China trade. In this respect, the survey results are a useful supplement to the regular trade statistics.

The above survey results will be included in the June 1996 issue of the Hong Kong External Trade. This report will be on sale by the end of August at the Government Publications Sales Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway, and at the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, at \$122 a copy.

Enquiries on the survey results may be directed to the Trade Surveys and Research Section of the Census and Statistics Department on 2582 5037.

The estimates for the first quarter of 1996 and the corresponding changes over the same period in 1995 are summarized in the following table :-

ESTIMATED VALUE AND PROPORTION OF TRADE INVOLVING OUTWARD PROCESSING IN CHINA, 1ST QUARTER OF 1996

	1st qtr. <u>1996</u> (HKD Mn.)	Percentage change over 1st qtr. 1995 (%)
<u>Total trade value * :</u>		
Total exports to China	105,274	+ 8.0
Domestic exports to China	12,622	- 4.7
Re-exports to China	92,652	+10.0
Imports from China	119,743	+ 4.3
Re-exports of China origin to all countries other than China	135,772	+ 7.4

Estimated value involving outward processing in China :

Total exports to China	45,483	- 3.8
Domestic exports to China	8,915	- 1.4
Re-exports to China	36,568	- 4.4
Imports from China	98,117	+11.8
Re-exports of China origin to all countries other than China	116,587	+10.5

Estimated proportion involving outward processing in China :

	1st qtr. <u>1996</u> (%)	1st qtr. <u>1995</u> (%)
Total exports to China	43.2	48.5
Domestic exports to China	70.6	68.3
Re-exports to China	39.5	45.4
Imports from China	81.9	76.5
Re-exports of China origin to all countries other than China	85.9	83.4

* The value excludes commodities and transactions not classified according to kind.

End

214 VMs depart on orderly repatriation flights

* * * * *

Two groups totalling 214 Vietnamese migrants (VMs) returned by air to Hanoi, Vietnam, today (Thursday) on the 51st and 52nd flights under the Orderly Repatriation Programme (ORP).

All of the returnees, comprising 96 men, 48 women, 41 boys and 29 girls, are from North Vietnam.

The majority of them arrived in Hong Kong in 1988 and 1989, with the remaining in 1991.

The two groups brought the total number repatriated on ORP flights to 4,804 since November 1991.

End

Monitors' report submitted to CS

* * * * *

The monitors appointed to observe the Orderly Repatriation Programme operation this (Thursday) morning have submitted their report to the Chief Secretary.

The two monitors comprised a non-official Justice of the Peace, Mr Lo Kingman; and a representative from a non-government organisation, Mr Thierry Taveaux from Medecins Sans Frontieres.

End

Grading of beach water quality

* * * * *

The Environmental Protection Department (EPD) today (Thursday) announced the latest gradings of Hong Kong's beaches, based on the bacteriological water quality, for the 1996 swimming season.

The purpose of the grading system is to inform swimmers and the general public about the state of bacteriological pollution at various beaches.

The grading will be announced biweekly during the bathing season to coincide with the frequency at which beach waters are usually sampled.

The grading is based on the most recent E coli data obtained by EPD in its routine monitoring programme.

As with last year, the grading also includes an estimate of the risk of suffering some minor skin or gastrointestinal complaints as a result of swimming at a beach which has some degree of pollution.

The estimate is based on a large body of statistical information gathered in Hong Kong in recent bathing seasons.

The grading of some beaches may vary during the summer. This represents a natural fluctuation in the bacteriological quality of bathing waters in most cases, as rain and tides bring more or less pollution to the beaches.

However, the grades give a good general picture of the water quality at bathing beaches at the time of reporting and form the best available forecast for the immediate future.

Beaches with highly developed hinterlands are likely to be more polluted than the grades suggested during and after heavy rain.

"Bathers should avoid such beaches for two or three days after a storm, longer if the weather remains overcast or less if there is strong sunshine," Principal Environmental Protection Officer, Mr Patrick Lei, said.

The system for grading beach water quality is as follows:

Grade "1" indicates that the water quality is good. The E coli count is no more than 24 per 100 millilitres at each beach so graded, and the expected risk of minor illness to swimmers is undetectable.

Grade "2" indicates that the water quality is fair. The E coli count is no more than 180 per 100 millilitres at each beach so graded, and the expected health risk is no more than 10 cases of minor illness per 1,000 swimmers.

Grade "3" indicates that the water quality is poor. The E coli count is no more than 610 per 100 millilitres at each beach so graded, and the expected health risk is no more than 15 cases of minor illness per 1,000 swimmers.

Grade "4" indicates that the water quality is very poor. The E coli count is more than 610 per 100 millilitres at each beach so graded, and the expected health risk is more than 15 cases of minor illness per 1,000 swimmers.

The decision whether or not to close a beach to swimmers is based on a judgement of what degree of pollution is acceptable.

Normally, the closure of a beach would only be considered by the Urban or Regional Council if a grade "4" occurred repeatedly, so that the average health risk over the bathing season exceeded 15 cases per 1,000 swimmers.

At present five gazetted beaches, namely Anglers', Approach, Castle Peak, Rocky Bay and Ting Kau, are closed to swimmers, while Old Cafeteria is re-opened.

The decision to open or close the beaches has been made by the Regional and Urban Councils on the basis of beach water quality monitoring data for 1995. The public are advised not to swim at the closed beaches.

The grades of the bacteriological water quality of various beaches in Hong Kong today are listed below :

<u>Beach</u>	<u>Previous Grading (as at 1.8.96)</u>	<u>Present Grading (as at 15.8.96)</u>
<u>Hong Kong South</u>		
Big Wave Bay (S)	2	3
Chung Hom Kok (S)	1	1
Deep Water Bay (S)	1	1
Hairpin (S)	2	2
Middle Bay (S)	2	2
Repulse Bay (S)	1	1
Shek O (S)	2	3
South Bay (S)	1	1
St Stephen's (S)	2	1
Turtle Cove (S)	2	2
Stanley Main (S)	2	2
<u>Tuen Mun District</u>		
Golden Beach	2	3
Old Cafeteria	3	3
New Cafeteria	2	3
Kadoorie (S)	3	3
Butterfly (S)	3	3

Sai Kung District

Clear Water Bay 1st Beach (S)	2	2
Clear Water Bay 2nd Beach (S)	2	2
Hap Mun Bay (S)	1	1
Kiu Tsui (S)	1	1
Silverstrand (S)	3	2
Trio (Hebe Haven) (S)	2	2

Islands District

Cheung Sha Upper	1	1
Cheung Sha Lower	3	3
Discovery Bay*	2	2
Hung Shing Yeh	1	1
Kwun Yam Wan	1	2
Tong Fuk	2	1
Lo So Shing	1	1
Pui O	2	2
Silvermine Bay	3	3
Tung Wan, Cheung Chau (S)	1	1

Tsuen Wan District

Casam (S)	3	4
Gemini	4	4
Hoi Mei Wan	3	3
Lido (S)	4	4
Tung Wan, Ma Wan	2	2

Note : * Non-gazetted beaches.

(S) The beach has a shark-prevention net installed.

The following beaches have changed grading on this occasion:

St Stephen's and Tong Fuk from "2" to "1"; Silverstrand from "3" to "2"; Kwun Yam Wan from "1" to "2"; Big Wave Bay, Shek O, New Cafeteria and Golden Beach from "2" to "3"; Casam from "3" to "4".

The changes are within the normal range of fluctuation of the bacteriological water quality of these beaches.

End

Air quality report for July

* * * * *

The Environmental Protection Department today (Thursday) released air quality information for July.

The purpose of the announcement is to keep the public informed of the air quality levels in the territory and to explain the measurements.

The announcement contains monitoring results from Mongkok, Central/Western and Kwai Chung, which represent three important land use types in the territory:

- * locations close to road traffic in built-up urban areas,
- * combined commercial and residential districts, and
- * districts close to industrial areas.

The reported air pollutants include sulphur dioxide (SO₂), nitrogen dioxide (NO₂), total suspended particulates (TSP) which comprise all sizes of dust particles, and the respirable fraction of the dust (RSP). All these pollutants can affect respiratory health in sufficient concentration.

Air quality was poor on July 26. The Mongkok station recorded the highest TSP and RSP levels of the month. On the same day, the air pollution index (API) for the industrial area reached 118 and those for the urban and new development areas approached the unhealthy limit of 100.

The elevated API level was due to a high level of ozone, which was formed by the reaction of vehicle emissions, such as nitrogen oxides and hydrocarbons, in the presence of strong sunlight.

The gases and particles described originated from various sources. SO₂ is mostly produced when fuels that contain sulphur are burned. NO₂ is formed during combustion by the combination of nitrogen and oxygen, and by the atmospheric oxidation of nitric oxide (NO), also a product of combustion.

Vehicle exhaust is an important source of NO and NO₂ in terms of impact on local air quality. It is also a major source of airborne particulate matter, especially the smaller respirable particles.

Diesel-engined vehicles such as taxis, public light buses, passenger coaches, franchised buses and light and heavy goods vehicles are the greatest contributor of particulate matter. Other sources include industry, furnaces and boilers, construction activities, the sea and the soil.

It is worth noting that while the weather and climate always affect the concentrations of pollutants in the air, the only sure way of reducing the levels is to reduce emissions from the man-made sources.

End

Post offices to close on Liberation Day holidays

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The acting Postmaster General, Mr P C Luk, today (Thursday) announced that all post offices would be closed during the forthcoming Liberation Day holidays from August 24 to 26.

A special mail delivery will be made on August 24, but not on August 25 and 26.

End

Hong Kong Monetary Authority tender results

* * * * *

Tender date	15 Aug 1996
Paper on offer	MTRC notes
Issue number	M503
Amount applied	HK\$1,205 MN
Amount allotted	HK\$500 MN
Average price (yield) accepted	99.89 (7.513 PCT)
Lowest price (yield) accepted	99.80 (7.535 PCT)
Pro rata ratio	About 68 PCT
Average tender price (yield)	99.70 (7.560 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	1,952	0930	+8
Closing balance in the account	1,886	1000	+8
Change attributable to :		1100	+8
Money market activity	+24	1200	+8
LAF today	-90	1500	+24
		1600	+24

LAF rate 4.00% bid/6.00% offer TWI 123.9 *+0.1* 15.8.96

Hong Kong Monetary Authority

EF bills

EF notes

Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.92	2 years	2808	6.00	99.83	6.18
1 month	5.00	3 years	3907	6.80	100.94	6.55
3 months	5.15	5 years	5106	7.23	101.05	7.09
6 months	5.28	7 years	7305	7.60	101.65	7.42
12 months	5.60	5 years	M502	7.30	100.40	7.31

Total turnover of EF bills and notes - \$4,976 million

Closed August 15, 1996

End