



# DAILY INFORMATION BULLETIN

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THURSDAY, MAY 13, 1993

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GOVERNOR IN LEGCO

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FOLLOWING IS A TRANSCRIPT OF THE GOVERNOR'S QUESTION AND ANSWER SESSION IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY):

GOVERNOR: MR PRESIDENT, I AM GRATEFUL FOR THIS OPPORTUNITY TO BRIEF HONOURABLE MEMBERS ON MY VISIT TO THE UNITED STATES LAST WEEK, MY FIRST AS GOVERNOR OF HONG KONG. LIKE PREVIOUS GOVERNORS, I CONSIDER IT AN ESSENTIAL PART OF MY JOB TO DEFEND HONG KONG'S VITAL INTERESTS WHENEVER AND WHEREVER THEY ARE THREATENED.

THE DEBATE NOW UNDER WAY IN THE UNITED STATES ABOUT CHINA'S MFN TRADING STATUS IS OF CRITICAL IMPORTANCE TO US IN HONG KONG. ANYTHING WHICH MIGHT DAMAGE THE RELATIONSHIP BETWEEN OUR TWO MOST IMPORTANT TRADING PARTNERS CLEARLY PUTS AT RISK HONG KONG'S VITAL INTERESTS.

IT IS WORTH REMINDING OURSELVES HOW IMPORTANT OUR RELATIONSHIP IS WITH THE UNITED STATES. THE UNITED STATES IS OUR SECOND MOST IMPORTANT TRADING PARTNER AFTER CHINA. IT IS OUR LARGEST MARKET FOR DOMESTIC EXPORTS. IT IS OUR SECOND LARGEST MARKET FOR RE-EXPORTS. IT IS A HUGELY IMPORTANT SOURCE OF DIRECT INVESTMENT AND OF TOURIST REVENUE. THE TOTAL VALUE OF OUR TRADE WITH THE UNITED STATES LAST YEAR WAS HK\$285 BILLION. THERE ARE 15 U.S. BANKS AND 21 INSURANCE COMPANIES OPERATING HERE. 127 FACTORIES ARE WHOLLY OR PARTLY US-OWNED AND THEY PROVIDE EMPLOYMENT FOR 23,400 PEOPLE. SOME 900 UNITED STATES FIRMS CARRY OUT BUSINESS IN HONG KONG. SO THE ECONOMIC LINKS ARE CLOSE. I WOULD LIKE TO SEE THEM DEVELOP FURTHER. BESIDES STRESSING THE IMPORTANCE OF MFN RENEWAL DURING MY VISIT, I SOUGHT TO UNDERLINE THE IMPORTANCE OF THIS RELATIONSHIP TO AS WIDE AN AUDIENCE AS POSSIBLE.

I AM VERY GRATEFUL FOR THE WARM RECEPTION I RECEIVED IN THE UNITED STATES. I FOUND A DEEP RESERVOIR OF GOODWILL AND RESPECT FOR HONG KONG, AND I THINK IT IS THIS GOODWILL THAT HELPS TO EXPLAIN WHY SO MANY PEOPLE SET ASIDE TIME TO LISTEN TO WHAT I HAD TO SAY ON BEHALF OF HONG KONG. I HAD MEETINGS WITH PRESIDENT CLINTON AND VICE PRESIDENT GORE; WITH ACTING SECRETARY OF STATE WHARTON AND WINSTON LORD THE ASSISTANT SECRETARY OF STATE RESPONSIBLE FOR THIS PART OF ASIA AND THE PACIFIC; WITH TREASURY SECRETARY BENTSEN; AND WITH ROBERT RUBIN, THE ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY.

IN THE CONGRESS I HAD DISCUSSIONS WITH SENATORS BAUCUS, BRADLEY, MCCONNELL AND MITCHELL AND REPRESENTATIVES FOLEY, HAMILTON, PELOSI, PORTER AND ROSTENKOWSKI, AND I MET BOTH THE ASIAN AND PACIFIC AFFAIRS SUB-COMMITTEE OF THE FOREIGN AFFAIRS COMMITTEE, CHAIRED BY REPRESENTATIVE ACKERMAN, AND SENATOR ROBB'S EAST ASIAN AND PACIFIC AFFAIRS SUB-COMMITTEE OF THE SENATE FOREIGN RELATIONS COMMITTEE. IN ADDITION, I GAVE SPEECHES TO THE NATIONAL PRESS CLUB IN WASHINGTON, THE NATIONAL COMMITTEE ON US-CHINA RELATIONS AND THE HONG KONG ASSOCIATION IN NEW YORK, AND TO A NUMBER OF OTHER AUDIENCES. ON ALL OF THESE OCCASIONS I ARGUED WITH ALL THE FORCE AT MY COMMAND IN DEFENCE OF FREE TRADE AND THE RENEWAL OF MFN STATUS FOR CHINA.

/MY VISIT .....

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MY VISIT WAS WELL TIMED, THE NEW ADMINISTRATION AND CONGRESS ARE MOVING TOWARDS A DECISION ON THE MFN ISSUE. I EXPLAINED THE IMPLICATIONS OF THE DECISION FOR HONG KONG. I MADE IT CLEAR THAT NON-RENEWAL OR HEAVILY QUALIFIED RENEWAL WOULD HAVE A SERIOUS IMPACT ON JOBS AND INCOMES HERE. WE ESTIMATE THAT 70,000 JOBS MIGHT BE LOST IN HONG KONG AND THAT OUR GROWTH RATE WOULD BE HALVED IF CHINA WERE TO BE DENIED MFN STATUS BY THE UNITED STATES. I AM CONVINCED THAT HONG KONG'S POSITION IS NOW WELL UNDERSTOOD IN WASHINGTON AND THAT OUR CONCERNS WILL BE A MAJOR FACTOR TO BE TAKEN INTO ACCOUNT WHEN THE FINAL DECISION IS MADE.

HAVING SAID THAT, I HAVE TO REPORT TO HONOURABLE MEMBERS THAT I FOUND WIDESPREAD CONCERN IN THE UNITED STATES ABOUT HUMAN RIGHTS, ABOUT MARKET ACCESS AND ABOUT ARMS PROLIFERATION. WE SHOULD NOT UNDERESTIMATE THE STRENGTH OF UNITED STATES CONCERNS ON THESE MATTERS. I ARGUED THAT IT WOULD BE A MISTAKE TO LINK TRADE AND POLITICS. AS HONOURABLE MEMBERS WILL KNOW, MR WINSTON LORD HAS HAD AN IMPORTANT ROUND OF MEETINGS IN PEKING THIS WEEK. WE MUST ALL HOPE THAT THESE DISCUSSIONS HAVE BEEN SUCCESSFUL.

YESTERDAY, MEMBERS PASSED A MOTION CALLING ON THE BRITISH GOVERNMENT TO LOBBY THE UNITED STATES GOVERNMENT FOR RENEWAL OF MFN STATUS FOR CHINA. WE WILL OF COURSE PASS ON MEMBERS' VIEWS TO LONDON. I WOULD LIKE TO MAKE IT CLEAR TO YOU THAT THE BRITISH GOVERNMENT HAS ALREADY BEEN ACTIVE ON THIS ISSUE ON HONG KONG'S BEHALF AND WILL CONTINUE TO BE SO. I RECEIVED THE FULL SUPPORT AND THE ENCOURAGEMENT OF THE BRITISH AMBASSADOR IN WASHINGTON AND HIS STAFF IN MY OWN LOBBYING EFFORTS LAST WEEK. HER MAJESTY'S GOVERNMENT WILL GO ON PRESSING OUR CASE BUT I BELIEVE THAT ALL OF US MUST GO ON ARGUING FOR UNCONDITIONAL MFN RENEWAL AND EXPLAINING THE IMPACT HERE IF MFN IS NOT RENEWED OR IF IT IS QUALIFIED. I AM GRATEFUL FOR THOSE BUSINESS MISSIONS WHICH HAVE CARRIED THIS MESSAGE FROM HONG KONG TO THE UNITED STATES AND PARTICULARLY TO THE AMERICAN CHAMBER OF COMMERCE IN HONG KONG FOR THEIR TIRELESS AND EFFECTIVE WORK.

ONE PARTICULAR POINT WHICH I STRESSED DURING MY VISIT WAS THAT IT WOULD NOT BE AT ALL HELPFUL TO HONG KONG IF THE RESOLUTION OF THE CURRENT DISCUSSIONS WITH CHINA ON CONSTITUTIONAL MATTERS WAS IN SOME WAY ATTACHED AS A CONDITION OF MFN RENEWAL. I AM GLAD TO SAY THAT THIS POINT WAS ACCEPTED IN PARTICULAR BY REPRESENTATIVE PELOSI, THE AUTHOR OF THE DRAFT HOUSE BILL PROPOSING THE CONDITIONING OF MFN. AS A RESULT OF OUR REPRESENTATIONS, SHE HAS ANNOUNCED THAT SHE WILL DELETE ANY REFERENCE TO THE OUTCOME OF HONG KONG'S CONSTITUTIONAL DEBATE FROM HER DRAFT LEGISLATION.

I SHOULD ADD THAT THERE WAS A GOOD DEAL OF INTEREST IN THIS CONSTITUTIONAL DEBATE ON THE PART OF NEARLY EVERYONE I MET. MANY QUESTIONED ME CLOSELY ABOUT IT. GIVEN THE NUMBER OF AMERICANS LIVING IN HONG KONG AND THE SIZE OF U.S. INVESTMENTS AND BUSINESS OPERATIONS HERE, IT IS UNDERSTANDABLE THAT THEY SHOULD MAINTAIN AN INTEREST IN ANY MATTERS AFFECTING HONG KONG'S FUTURE PROSPERITY AND STABILITY. IT WAS FULLY RECOGNISED AND HELPFULLY STATED BY THE PRESIDENT HIMSELF THAT THE RESOLUTION OF THESE CONSTITUTIONAL ISSUES WAS A MATTER FOR THE CURRENT AND FUTURE SOVEREIGN POWERS. BUT MANY PEOPLE EXPRESSED THEIR FIRM AND SINCERE HOPE, FOR WHICH I WAS MOST GRATEFUL, THAT THE PRESENT SERIES OF TALKS BETWEEN BRITAIN AND CHINA WOULD END SUCCESSFULLY. THAT IS, I AM SURE, AN ASPIRATION SHARED BY US ALL.

/PRESIDENT: .....

PRESIDENT: IT'S AGREED THE QUESTION TIME THIS AFTERNOON WILL BE DEVOTED TO THE GOVERNOR'S VISIT TO THE UNITED STATES AND TRADE MATTERS. MEMBER MAY NOW PUT QUESTIONS TO THE GOVERNOR. A MEMBER MAY ASK A SUPPLEMENTARY QUESTION FOR THE PURPOSE OF ELUCIDATION, BUT THE SUPPLEMENTARY SHOULD BE A SHORT, SINGLE QUESTION. SHOW OF HANDS PLEASE.

DR HUANG CHEN-YA: GOVERNOR, THERE IS WIDESPREAD AMERICAN CONCERN ABOUT HUMAN RIGHTS, ARMS PROLIFERATION AND TRADE ACCESS. WOULD YOU OR THE BRITISH EMBASSY BE INFORMING THE CHINESE GOVERNMENT OF THIS OBSERVATION SO THAT THE CHINESE GOVERNMENT TAKES APPROPRIATE INITIATIVES TO DEAL WITH THE CONDITIONS THAT MIGHT BE APPLIED SO THAT CHINA WILL IN FACT MAINTAIN ITS MFN STATUS.

GOVERNOR: I DOUBT WHETHER THERE IS ANY NEED FOR EITHER THE BRITISH EMBASSY OR ME TO CONVEY THOSE THOUGHTS TO THE GOVERNMENT OF THE PRC SINCE MR LORD HAS PRESUMABLY BEEN CONVEYING THOSE CONCERNS HIMSELF THIS WEEK. I AM SURE THAT THEY ARE PRETTY WELL KNOWN BOTH TO THE CHINESE EMBASSY IN WASHINGTON AND TO THE CHINESE MINISTRY OF FOREIGN AFFAIRS AND TO OTHER SENIOR CHINESE OFFICIALS.

I OBVIOUSLY ARGUED WHEN I WAS IN WASHINGTON AND NEW YORK THAT IF THERE WERE PARTICULAR CONCERNS ON THE PART OF THE ADMINISTRATION AND ON THE PART OF THEIR CONGRESSIONAL LEADERS ON THOSE MATTERS, THEY SHOULD BE PURSUED IN WAYS THAT WERE APPROPRIATE RATHER THAN THROUGH CREATING TRADE PROBLEMS AND DIFFICULTIES BETWEEN CHINA AND THE UNITED STATES. THERE ARE PARTICULAR CHANNELS IN MY JUDGEMENT IN WHICH IF THE UNITED STATES IS CONCERNED ABOUT THOSE MATTERS, THEY CAN PURSUE THEM AS OTHER COUNTRIES HAVE DONE ON APPROPRIATE OCCASIONS. THAT WAS A POINT THAT I PUT LAST WEEK AND IT'S A POINT THAT I WILL CONTINUE TO PUT.

MR LAU WONG-FAT (THROUGH INTERPRETER): GOVERNOR, SHOULD THERE BE A TRADE WAR BETWEEN CHINA AND THE U.S., HONG KONG'S ECONOMY WILL DEFINITELY BE AFFECTED. SO MY QUESTION IS: AT THIS POINT IN TIME HAVE WE GOT CONTINGENT MEASURES IN ORDER TO HELP HONG KONG PEOPLE OVERCOME THE CRISIS THAT MIGHT ARISE. IF SO, COULD THIS COUNCIL BE INFORMED OF THE MEASURES. IF NOT, COULD EXPLANATION BE GIVEN WHY THE GOVERNMENT IS NOT MAKING SUCH PREPARATION.

GOVERNOR: I'VE GOT NO DOUBT AT ALL THAT WERE THERE TO BE NO RENEWAL OF MFN OR WERE MFN RENEWAL TO BE HEAVILY CONDITIONED SO AS TO MAKE A REAL IMPACT ON TRADE BETWEEN CHINA AND THE UNITED STATES, THERE WOULD BE AN IMPACT ON THE HONG KONG ECONOMY. IT SEEMS TO ME IMPOSSIBLE TO DESIGN, FOR INSTANCE, HEAVY CONDITIONS ON MFN AND WITHOUT RUNNING THAT SEVERE RISK. I AM ALSO, I HAVE TO SAY, A LITTLE SCEPTICAL ABOUT PRECISE ECONOMIC MODELLING OF WHAT THOSE EFFECTS WOULD BE AND I DON'T MEAN TO BE DISRESPECTFUL TO ECONOMISTS IN SAYING THAT. BUT HONG KONG HAS, OVER THE YEARS AND DECADES, SHOWN ITSELF MUCH MORE FLEXIBLE IN ADJUSTING TO CHANGING ECONOMIC CIRCUMSTANCES THAN MOST OTHER ECONOMIES AND WE'VE DONE THAT IN A NUMBER OF WAYS OVER THE YEARS.

/I DON'T .....

I DON'T THEREFORE BELIEVE THAT IT'S POSSIBLE BEFORE WE KNOW PRECISELY WHAT THE OUTCOME OF PRESENT DELIBERATIONS IS GOING TO BE TO DESIGN EXACT MEASURES WHICH WE COULD PUT IN PLACE IN ORDER TO HELP SUSTAIN OUR ECONOMIC PERFORMANCE IN CIRCUMSTANCES OF TRADE FRICTION. BUT OBVIOUSLY WERE THOSE CIRCUMSTANCES TO ARISE WE WOULD NEED TO LOOK AT WAYS IN WHICH WE COULD GIVE GREATER ASSISTANCE TO OUR BUSINESS AND INDUSTRIAL SECTOR, FOR EXAMPLE, THROUGH THE HELP THAT WE PROVIDE TO RE-TRAINING, BUT I DARE SAY IN OTHER WAYS AS WELL. BUT I DON'T THINK IT'S POSSIBLE FOR US TO HAVE IN THE WINGS, AS IT WERE, TO WHEEL ON TO STAGE AT SOME APPROPRIATE MOMENT, SHOULD THAT UNFORTUNATE CIRCUMSTANCE ARISE, A PERFECTLY DESIGNED SET OF MEASURES TO SUSTAIN OUR ECONOMY IN THOSE DIFFICULT CIRCUMSTANCES.

MRS PEGGY LAM (THROUGH INTERPRETER): MR GOVERNOR, ACTUALLY MR LAU HAS REALLY ASKED SOME OF MY QUESTION. JUST NOW YOU MENTIONED THAT PROBABLY 70,000 JOBS COULD BE LOST. I'D LIKE TO KNOW WHICH SECTORS DO THESE 70,000 JOBS BELONG AND HOW DO YOU PLAN TO HELP THOSE PEOPLE WHO ARE DISPLACED BECAUSE OF THIS?

GOVERNOR: I DON'T WANT TO REPEAT TOO MUCH OF WHAT I HAVE JUST SAID. I DON'T THINK THAT PRECISION IN THESE MATTERS IN TALKING ABOUT ECONOMIC IMPACT IS POSSIBLE. WHAT THE ECONOMIC MODELLING HAS DONE IS TO GIVE US A BROAD ASSESSMENT OF THE GRAVITY OF THE SITUATION THAT WE WOULD FACE. CLEARLY JOBS WOULD BE LOST PRINCIPALLY IN THOSE SECTORS WHICH DEPEND ON EXPORT OR RE-EXPORT AND THE WHOLE COUNCIL WILL KNOW SOME OF THE SECTORS I AM TALKING ABOUT. FOR EXAMPLE TEXTILES, FOR EXAMPLE MANUFACTURE OF WATCHES, FOR EXAMPLE TOYS - IF THOSE WERE SECTORS THAT WERE HIT. BUT IT IS QUITE DIFFICULT TO KNOW HOW OR WHETHER THEY WOULD BE. LET ME GIVE THE HONOURABLE LADY AN EXAMPLE.

IF CONDITIONALITY WAS TO LEAD IN A YEAR'S TIME TO THE TRIGGERING OF TRADE RESTRICTIONS BY THE UNITED STATES AND IF THOSE RESTRICTIONS WERE MODELLED ON THE PROVISIONS OF THE PELOSI AND MITCHELL BILLS, THEN THE UNITED STATES TREASURY OR THOSE WHO WORK FOR IT - AND I THINK THERE WOULD HAVE TO BE MANY MORE OF THEM - WOULD HAVE TO MAKE A DECISION ABOUT WHICH CHINESE PRODUCTS WERE FROM THE PUBLIC, THE STATE SECTOR, AND WHICH WERE FROM THE PRIVATE SECTOR. THE COUNCIL WILL KNOW THAT THERE IS AN EXTREMELY DIFFICULT DISTINCTION TO MAKE. THERE ARE SECTORS OF ECONOMIC DEVELOPMENT IN CHINA WHICH REMAIN IN THE STATE SECTOR, FOR EXAMPLE ENERGY AND STEEL MANUFACTURE. DOES THAT MEAN THAT PRODUCTS WHICH REQUIRE A LARGE ENERGY INPUT OR PRODUCTS WHICH ARE MADE OF STEEL ARE PUBLIC SECTOR PRODUCTS OR PRIVATE SECTOR PRODUCTS. WHAT IS A BICYCLE MADE WITH STEEL BUT PROBABLY MANUFACTURED IN THE PRIVATE SECTOR? WHAT IS SILK? IS SILK PUBLIC SECTOR OR IS IT PRIVATE SECTOR? I THINK THAT MAKING THESE DISTINCTIONS MAY WELL LEAD TO A JOB CREATION PROGRAMME FOR THE CIVIL SERVICE. I CERTAINLY THINK IT WOULD BE VERY DIFFICULT, HOWEVER WELL-MEANING THEY ARE, TO POLICE DISTINCTIONS LIKE THAT. SO WITH THAT DEGREE OF UNCERTAINTY IT'S QUITE DIFFICULT FOR US TO BE PRECISE ABOUT WHERE THE BIGGEST EFFECTS ON OUR OWN ECONOMY WOULD BE, BUT THAT THERE WOULD BE CONSIDERABLE EFFECTS I HAVE NO DOUBT.

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REV FUNG CHI-WOOD(THROUGH INTERPRETER): MR GOVERNOR, MY QUESTION ACTUALLY IS RELATED TO THE ANSWER GIVEN JUST NOW. THE US ADMINISTRATION MIGHT ADD CONDITIONS TO THE RENEWAL OF MFN, PROBABLY TARGETING ONLY AGAINST STATE ENTERPRISES. ACCORDING TO STATISTICS, SHOULD MFN BE NOT RENEWED THEN HONG KONG WILL LOSE THREE PER CENT IN ITS GDP. HAS THE GOVERNMENT WORKED OUT THE STATISTICS FOR PARTIAL NON-RENEWAL, THAT IS ONLY TARGETED AGAINST STATE ENTERPRISES, AND ARE THERE ANY CONTINGENCY MEASURES TO DEAL WITH THOSE?

GOVERNOR: I THINK THIS IS THE FIRST OPPORTUNITY I HAVE HAD TO CONGRATULATE THE HONOURABLE MEMBER, WHICH I DO WITH GREAT ENTHUSIASM AND I HOPE THAT HE IS AS HAPPY AS ALL THE OTHER MARRIED MEMBERS OF THE COUNCIL.

REV FUNG CHI-WOOD: THANK YOU.

GOVERNOR: I HOPE THAT HASN'T GIVEN JOURNALISTS TOO CONSIDERABLE A FIELD DAY.

IT IS OBVIOUSLY THE CASE THAT MORE PARTIAL MEASURES LEAD TO A LESS CONSIDERABLE IMPACT ON OUR ECONOMY AND IF I MAY MAKE THE POINT, ON THE ECONOMIES OF THE UNITED STATES AND CHINA AS WELL. IT IS NOT FOR ME TO MAKE A PITCH ON BEHALF OF THE AMERICAN ECONOMY OR ON BEHALF OF THE ECONOMY OF CHINA BUT THEY WILL OBVIOUSLY BE THE PRINCIPAL ECONOMIES AFFECTED. BUT I DON'T THINK THAT ONE CAN MAKE ACCURATE ASSESSMENTS OF GRADATIONS OF MEASURE BY THE US ADMINISTRATION. I DON'T THINK THAT SORT OF PRECISE CALIBRATION IS POSSIBLE, THOUGH IT MIGHT PROVIDE MORE OR LESS USEFUL EMPLOYMENT FOR ECONOMISTS.

BUT I REPEAT THE POINT THAT ANY SUBSTANTIAL CONDITIONALITY OR CERTAINLY NON-RENEWAL OF MFN IN A YEAR'S TIME, IN CIRCUMSTANCES IN WHICH CHINA HAD NOT MET CONDITIONS LAID DOWN BY THE UNITED STATES OR IN CIRCUMSTANCES IN WHICH CHINA HAD REACTED AGAINST THE WHOLE CONCEPT OF CONDITIONALITY, THE SORT OF CONSEQUENCES OF EITHER OF THOSE DEVELOPMENTS WOULD HAVE SOME EFFECT ON OUR ECONOMY AND WE DON'T WANT TO HAVE TO FACE THOSE SORT OF PROBLEMS. NOR DOES THE REGION, IN MY JUDGMENT.

WHEN ONE LOOKS AROUND THE WORLD, WHEN ONE LOOKS AT THE SITUATION IN EUROPE AND THE FIRST SIGNS OF RATHER LIMITED RECOVERY IN NORTH AMERICA, IT IS PERFECTLY PLAIN THAT THE WORLD NEEDS THE ECONOMY IN ASIA TO KEEP ON GROWING IN ORDER TO SUSTAIN ECONOMIC DEVELOPMENT ELSEWHERE. SO I AM NOT IN FAVOUR OF ANYTHING WHICH INTERFERES WITH THE DYNAMO OF GROWTH IN THIS PART OF THE WORLD. I THINK THAT IS BAD, NOT ONLY FOR THIS PART OF THE WORLD BUT BAD FOR EVERYWHERE ELSE TOO.

MR ALLEN LEE: GOVERNOR, WE KNOW HONG KONG WILL BE A CASUALTY OF TRADE HOSTILITY BETWEEN CHINA AND AMERICA. ONE OF THE BEST ASSURANCES FOR US WOULD BE FOR CHINA TO REJOIN THE GATT. DID THE CLINTON ADMINISTRATION INDICATE TO YOU WHETHER IT NOW SUPPORTS CHINA'S BID TO BECOME A MEMBER OF THE GATT?

/GOVERNOR: .....

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GOVERNOR: NO, THEY DIDN'T, BUT THEY KNOW OUR POSITION ON BOTH CHINA'S APPLICATION AND ON TAIWAN'S APPLICATION AS WELL, AND THEY KNOW THE POSITION OF THE UNITED KINGDOM. I THINK THAT MAJOR TRADING PARTNERS, MAJOR TRADING NATIONS, SHOULD BE MEMBERS OF THAT CLUB AND THAT IS A POINT OF VIEW WE HAVE PUT, I THINK FAIRLY FORCEFULLY, IN WASHINGTON AND ELSEWHERE.

IF I MAY BUILD ON THE HONOURABLE MEMBER'S QUESTION BECAUSE I KNOW IT IS ALSO A POINT THAT HE IS CONCERNED ABOUT, WE ALSO OF COURSE EXPRESSED OUR CONCERN THAT THERE SHOULD BE AN EARLY CONCLUSION OF THE GATT URUGUAY ROUND. IT IS VERY IMPORTANT FOR US THAT THE WORLD AGREES NEW RULES WHICH MEAN MORE FREE TRADE AND WE ARE THE BEST POSSIBLE EXPONENT OF THAT CASE. I DOUBT WHETHER THERE IS ANY OTHER COMMUNITY WHICH HAS BEEN SO COMMITTED TO THE PRINCIPLES OF FREE TRADE AS WE HAVE BEEN AND I THINK THOSE PRINCIPLES OFFER MORE HOPE TO HUMANITY THAN MOST OTHER LIKELY ECONOMIC DEVELOPMENTS.

A POINT I MADE AGAIN AND AGAIN IN THE UNITED STATES AND A POINT I MADE IN A SPEECH WHEN I VISITED EUROPE LAST MONTH, IS THAT FREE TRADE IS, IN MY JUDGMENT, LIKE RIDING A BICYCLE. WHEN YOU'RE RIDING A BICYCLE ONCE YOU STOP TURNING THE PEDALS YOU FALL OFF. WITH FREE TRADE, ONCE YOU MOVE AWAY FROM THE PRINCIPLES OF FREE TRADE THERE IS A TERRIBLE DANGER OF FALLING INTO PROTECTIONIST PUDDLES. UNLESS YOU ARE COMMITTED TO THE PRINCIPLES, YOU ARE ALL TOO LIKELY TO COURT PROTECTIONISM. AND PROTECTIONISM, AS SURE AS NIGHT FOLLOWS DAY, MEANS HIGHER PRICES FOR CONSUMERS, LOWER JOBS AND LESS ECONOMIC GROWTH.

MR ALBERT CHAN (THROUGH INTERPRETER): MR GOVERNOR, REGARDING YOUR VISIT TO THE STATES, YOU WERE WARMLY WELCOMED BY TOP LEADERS IN THE STATES AND YET WHAT YOU SAID AND WHAT YOU DID IN THE STATES WAS ALSO CRITICISED BY STUDENTS OVERSEAS, IN THE STATES THAT IS, AND THEY SAY THAT YOU DO NOT REALLY PAY ENOUGH ATTENTION TO HUMAN RIGHTS, AND THE CHINESE GOVERNMENT HAS ALSO CRITICISED YOU FOR INTERNATIONALISING THE HONGKONG ISSUE. AND SO TO YOU, MR GOVERNOR, THIS TIME WHAT IS YOUR CONTRIBUTION TOWARDS THE RENEWAL OF MFN AND HAVE YOU RECEIVED COMMITMENT FROM THE UNITED STATES THAT HONG KONG'S ECONOMY WILL NOT BE AFFECTED BY ANY CHANGES IN US-CHINA TRADE RELATIONSHIPS?

GOVERNOR: LET ME DEAL WITH THOSE QUESTIONS IN ORDER: HUMAN RIGHTS, INTERNATIONALISING - WHICH HAS TURNED INTO A CURIOUS MORTAL SIN - AND MFN AND THE IMPACT THAT I MIGHT HAVE HAD ON THE DEBATE IN WASHINGTON.

/NO COMMUNITY .....

NO COMMUNITY IS GOING TO BE MORE CONCERNED ABOUT HUMAN RIGHTS AND THE PRESERVATION OF HUMAN RIGHTS AND THE PRESERVATION OF THE RULE OF LAW THAN THIS ONE AND I DON'T THINK WE NEED REMINDING OF THE IMPORTANCE OF HUMAN RIGHTS. BUT I THINK THAT MANY MEMBERS OF THIS COMMUNITY SHARE MY VIEW THAT THE USE OF TRADE WEAPONS IS NOT THE RIGHT WAY TO PROMOTE AND PROTECT HUMAN RIGHTS. A NUMBER OF OTHER COMMUNITIES, I THINK, TAKE THE SAME VIEW. THEY HAVE ESTABLISHED A DIALOGUE ON HUMAN RIGHTS WITH THE PRC, FOR EXAMPLE THAT IS WHAT HAS BEEN DONE BY AUSTRALIA, IT'S WHAT'S BEEN DONE BY FRANCE, IT'S WHAT'S BEEN DONE BY THE UNITED KINGDOM. I THINK, MYSELF, THAT DIALOGUE RATHER THAN USING A DOUBLE-EDGED TRADE WEAPON IS THE RIGHT WAY TO PROCEED. BECAUSE I SAY THAT AND BECAUSE I THINK THAT DOESN'T MEAN THAT I HAVE ANY LESS REGARD FOR HUMAN RIGHTS THAN SOME OF THOSE STUDENTS TO WHOM THE HONOURABLE MEMBER REFERRED, BUT I TAKE A DIFFERENT VIEW ABOUT THE BEST WAY OF ARGUING FOR HUMAN RIGHTS.

LET ME ADD ONE OTHER POINT. I THINK IT WAS JEFFERSON WHO REFERRED - I THINK IT IS CARVED ON HIS MONUMENT - JEFFERSON WHO REFERRED TO THE CONSEQUENCES OF HUMAN DEVELOPMENT FOR POLITICAL STRUCTURES. I DON'T DOUBT AT ALL THAT ECONOMIC GROWTH AND FREE TRADE AND MORE OPEN ECONOMIES IMPROVE THE QUALITY OF LIVING OF INDIVIDUALS DEFINED IN THE BROADEST WAY AND THAT IS WHY I AM IN FAVOUR OF PROMOTING ECONOMIC GROWTH AND FREE TRADE RATHER THAN LIMITING THEM.

SECONDLY, INTERNATIONALISATION. I THINK THAT IT WOULD BE ASTONISHING IF THE GOVERNOR OR CHIEF EXECUTIVE OF THE TENTH LARGEST TRADING COMMUNITY IN THE WORLD DIDN'T WISH TO VISIT FROM TIME TO TIME THE MAIN TRADING PARTNERS OF THAT ENORMOUSLY IMPORTANT TRADING COMMUNITY. I SHALL CONTINUE TO DO THAT, I SHALL CONTINUE TO ARGUE THE CASE FOR HONG KONG IN OTHER COUNTRIES AND I PLACE THIS BET NOW WITH COMPLETE CONFIDENCE, THE CHIEF EXECUTIVE OF THE SAR WILL IN DUE COURSE DO EXACTLY THE SAME IF SHE OR HE IS DOING HER OR HIS JOB PROPERLY. THAT IS PART OF MY RESPONSIBILITY AND I SHALL CONTINUE TO CARRY IT OUT. I THOUGHT THAT THERE WAS A MARKED DIFFERENCE BETWEEN SOME OF THE RATHER ROUTINE PROPAGANDA ATTACKS ON MY VISIT AND THE SENSIBLE AND ACCURATE REMARKS MADE BY VICE PREMIER ZHU RONGJI WHO SAID I HAD BEEN LOBBYING ON MFN IN WASHINGTON IN HONG KONG'S INTEREST, A REMARK WHICH IS ACCURATE AND PRECISE.

THIRDLY, I WOULD, I GUESS, NEED ALL THE SILVER-TONGUED ELOQUENCE OF THE HONOURABLE MEMBER TO PERSUADE THAT MAJORITY OF THE UNITED STATES CONGRESS WHICH BELIEVES IN CONDITIONALITY TO COME TO SOME OTHER CONCLUSION. BUT WHATEVER I MAY HAVE FAILED TO DO OR WHOEVER I MAY HAVE FAILED TO CONVINCE, I AM PRETTY CERTAIN THAT I WAS ABLE LAST WEEK TO ENSURE THAT THE IMPACT ON HONG KONG OF NON-RENEWAL OF MFN OR HEAVY CONDITIONALITY ON MFN WILL BE A CONSIDERABLE FACTOR WHEN THE US ADMINISTRATION AND CONGRESSIONAL LEADERS MAKE UP THEIR MINDS ON THE WAY FORWARD. AND I NOTE THAT AFTER MY VISIT, SOME OF THOSE I SPOKE TO, INCLUDING FOR EXAMPLE REPRESENTATIVE PELOSI, MADE THAT POINT VERY OPENLY. I DO THINK THAT WE HAVE HAD SOME SUCCESS IN ENSURING THAT OUR POSITION IS ON THE AGENDA, BUT I CANNOT, HAND-ON-HEART, TELL THE HONOURABLE MEMBER THAT I WAS ABLE TO CONVINCE ALL THOSE AMERICAN CONGRESSMEN AND SENATORS WHO ARE WORRIED ABOUT WEAPONS PROLIFERATION AND HUMAN RIGHTS AND ACCESS TO CHINA'S MARKET THAT THEY SHOULD PURSUE THOSE INTERESTS IN OTHER WAYS THAN THROUGH THE MFN CHANNEL.

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MR CHIM PUI-CHUNG (THROUGH INTERPRETER) : MR GOVERNOR, AT PRESENT HONG KONG CITIZENS ARE MOST CONCERNED ABOUT TWO THINGS. FIRST, THE SINO-BRITISH TALKS AND ITS OUTCOME IN THE 1993/94 ELECTORAL ARRANGEMENTS. THE SECOND THING THEY ARE MOST CONCERNED ABOUT IS THE RENEWAL OF MFN STATUS FOR CHINA BY U.S. SO YOU MADE A TRIP TO U.S. AND YOU COVERED THESE TWO QUESTIONS. REGARDING THE RENEWAL OF MFN, NO RESOLUTION OR NO SOLUTION IS IN SIGHT AND FOR THE OTHER QUESTION YOU CONVEYED THE MESSAGE TO UNITED STATES ABOUT THE SINO-BRITISH TALKS. SO WOULD IT AFFECT THE OUTCOME OF THE SINO-BRITISH TALKS? WOULD IT BE IN THE WAY OF THE SINO-BRITISH TALKS? OF COURSE, YOU SAID THAT IT WOULD NOT HAPPEN BUT IT REALLY PUTS PSYCHOLOGICALLY PRESSURE ON HONG KONG AND IT REALLY INCREASES OUR WORRIES AND SO AS THE GOVERNOR OF HONG KONG DO YOU BELIEVE IT IS BETTER TO MAKE HONG KONG PEOPLE WORRIED OR DO YOU THINK YOU SHOULD CONVEY HOPE TO HONG KONG PEOPLE THAT THERE IS A GOOD CHANCE OF SMOOTH TRANSITION?

GOVERNOR: I DON'T THINK THAT ANSWERING QUESTIONS ON THE DISAGREEMENT THAT WE'VE HAD ABOUT POLITICAL DEVELOPMENT IN THE UNITED STATES OR HERE INCREASES PEOPLE'S WORRIES. I THINK THAT TO ADDRESS THE ISSUES THAT PEOPLE TALK ABOUT IN THEIR OWN HOMES AROUND THE TELEVISION SET EVERY EVENING IS TO CONFRONT REALITY, NOT TO PROVOKE ANXIETY.

I EXPRESSED TO UNITED STATES OFFICIALS MY SINCERE HOPE THAT THE TALKS WHICH HAVE BEGUN, OF WHICH THERE HAVE BEEN TWO ROUNDS SO FAR WITH THE THIRD ROUND COMMENCING NEXT WEEK, WOULD RESOLVE THE DISAGREEMENTS THAT WE'VE HAD ABOUT POLITICAL DEVELOPMENT AND DO SO AS RAPIDLY AS IS REASONABLY POSSIBLE BECAUSE I DON'T THINK THAT PEOPLE WANT THE ISSUE TO BE HANGING ABOUT INDEFINITELY THOUGH IT'S DIFFICULT TO TACKLE IT SUCCESSFULLY, WE ALL WISH THE NEGOTIATORS THE BEST OF GOOD FORTUNE. I EXPRESSED MY ENTHUSIASM FOR A SATISFACTORY OUTCOME. I DO SO AGAIN TODAY AND I AM SURE THAT IS ONE OF THE MANY ISSUES ON WHICH THE HONOURABLE GENTLEMAN AND I FIND OURSELVES IN WHOLEHEARTED AGREEMENT.

MS CHRISTINE LOH: GOVERNOR, IT'S OBVIOUSLY BEEN VERY USEFUL FOR YOU TO GO AND EXPLAIN HONG KONG'S CAUSE TO THE UNITED STATES, BUT SINCE THE ISSUE HAS REALLY TO DO WITH SINO-AMERICAN RELATIONS, WHAT DO YOU THINK COULD BE DONE AS FAR AS CHINA IS CONCERNED?

GOVERNOR: I THINK IT'S FOR UNITED STATES OFFICIALS PRINCIPALLY TO EXPRESS TO CHINESE OFFICIALS THE CONCERNS WHICH ARE - ENCOURAGING IS PERHAPS THE WRONG VERB - PROMPTING A NEW ADMINISTRATION TOWARDS A CHANGE OF POLICY ON MFN. BUT I'M ALSO SURE THAT, FOR EXAMPLE, THOSE WHO HAVE BEEN CHOSEN TO ADVISE THE HONG KONG MACAU OFFICE ON HONG KONG AFFAIRS WILL THEMSELVES WANT AT SUITABLE MOMENTS TO EXPRESS TO CHINESE OFFICIALS THEIR WORRIES ABOUT THE IMPACT OF NON-RESOLUTION OF THESE ARGUMENTS BETWEEN CHINA AND UNITED STATES ON HONG KONG. I AM SURE THAT THOSE ADVISERS WILL EXPRESS THEIR VIEWS ON THOSE MATTERS AND THEIR HOPE THAT WORRIES ABOUT ISSUES LIKE WEAPONS PROLIFERATION AND HUMAN RIGHTS CAN BE CONSTRUCTIVELY DEALT WITH AND THAT SEEMS TO ME TO BE AN IMPORTANT MESSAGE FOR ADVISERS TO TAKE AND I AM SURE THAT DISCHARGING THEIR RESPONSIBILITIES THEY WILL DO PRECISELY THAT.

/MRS SELINA .....

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MRS SELINA CHOW (THROUGH INTERPRETER): MR PRESIDENT, MR GOVERNOR, IN HONG KONG WE HEARD SOME REPORTS SAYING THAT WHEN THE GOVERNOR WAS IN THE UNITED STATES DURING THE COURSE OF LAST WEEK IT CAUSED A LOT OF - MEDIA MEMBERS WERE VERY MUCH INTERESTED IN YOUR ACTIVITY AND THAT'S WHY A LOT OF HONG KONG REPORTERS FOLLOWED YOU AROUND IN THE STATES AND WE HEARD SOME REPORTS SAYING THAT THERE WAS SOME UNFAIR TREATMENT FOR HONG KONG REPORTERS AND THEY HAVE INDEED LODGED A FORMAL COMPLAINT AND SO I WOULD LIKE TO ASK YOU THIS, MR GOVERNOR. HOW DO YOU VIEW THIS COMPLAINT FROM THE REPORTERS OF HONG KONG AND WHAT WOULD YOU DO TO PREVENT SIMILAR PROBLEMS FROM RECURRING BECAUSE, AS FAR AS I UNDERSTAND, THIS IS NOT THE FIRST TIME SUCH COMPLAINTS HAVE BEEN MADE.

GOVERNOR: THERE WAS ONE COMPLAINT BY ONE JOURNALIST FROM A COMMERCIAL RADIO STATION. THE COMPLAINT WAS WHOLLY UNFOUNDED AND IT HAS BEEN REJECTED WITH CONSIDERABLE FORCE BY THE ADMINISTRATION. THE PARTICULAR INCIDENT WAS ONE WHICH WAS WITNESSED BY MANY HONG KONG JOURNALISTS AND I DOUBT WHETHER THEY WOULD DISAGREE FROM THE ARGUMENTS THAT WE HAVE PUT FORWARD.

MR MARTIN BARROW: GOVERNOR, DURING YOUR VISIT WERE YOU ABLE TO RAISE THE NORMALISATION OF THE US/VIETNAM RELATIONS WHICH COULD BE SO HELPFUL TO HONG KONG IN RESOLVING THE ISSUE OF VIETNAMESE MIGRANTS STRANDED HERE?

GOVERNOR: I DID RAISE THAT ISSUE WITH THE ADMINISTRATION. IT'S AN ISSUE ABOUT WHICH I KNOW THIS COMMUNITY FEELS STRONGLY AND I THINK WE FEEL STRONGLY FOR TWO REASONS. FIRST OF ALL, BECAUSE OF OUR BELIEF THAT NORMALISATION OF RELATIONS, THE UNBLOCKING FOR EXAMPLE OF DEVELOPMENT BANK ASSISTANCE AND LOANS, WOULD MAKE - WOULD HELP THE VIETNAMESE ECONOMY AND MIGHT ENCOURAGE THOSE WHO ARE IN CAMPS IN HONG KONG TO RETURN TO VIETNAM. I DOUBT WHETHER ANY FAMILIES IN THE CHARGE OF THE UNHCR ANYWHERE IN THE WORLD ARE BEING OFFERED MORE GENEROUS TERMS OF RESETTLEMENT, ARE BEING OFFERED MORE ASSISTANCE TO RETURN HOME. MORE MAY BE ENCOURAGED TO RETURN HOME IF THE VIETNAMESE ECONOMY WAS LOOKING IN BETTER SHAPE, THOUGH I HAVE TO SAY THAT FROM ALL I HEAR, IT IS IMPROVING RAPIDLY.

SECONDLY, OBVIOUSLY NORMALISATION OF TRADE BETWEEN THE UNITED STATES AND VIETNAM WOULD HELP TO ADD ANOTHER ECONOMIC DYNAMO TO THIS REGION, GOOD FOR THE REGION AND GOOD FOR THE WORLD.

MRS MIRIAM LAU: GOVERNOR, IN YOUR MAIN ADDRESS YOU HAVE TOLD US THAT YOU TOLD THE US GOVERNMENT OFFICIALS THAT HEAVILY QUALIFIED RENEWAL OF CHINA'S MFN STATUS WOULD BE DETRIMENTAL TO HONG KONG. I BELIEVE THAT THE WORDS HEAVILY QUALIFIED OR SIMILAR WORDS SUCH AS HEAVILY CONDITIONED OR HEAVILY CONDITIONALITY - THOSE WORDS HAVE BEEN CAREFULLY CHOSEN AND YOU HAVE REPEATED THEM TIME AND TIME AGAIN DURING YOUR MAIN ADDRESS AND AS WELL AS IN ANSWER TO MEMBERS TODAY. ARE YOU NOT SUGGESTING BY USING THOSE WORDS THAT SOME KIND OF QUALIFICATION, SOME KIND OF CONDITION WOULD BE ACCEPTABLE. IF THAT IS SO, THEN ARE YOU NOT SENDING THE WRONG MESSAGE TO THE US GOVERNMENT OFFICIALS SINCE, I AM SURE YOU ARE AWARE, THAT THIS COUNCIL HAS TIME AND TIME AGAIN CALLED FOR UNCONDITIONED RENEWAL OF MFN STATUS?

/GOVERNOR: .....

GOVERNOR: WELL, I ACTUALLY REFERRED IN MY STATEMENT TODAY TO THE CASE FOR UNCONDITIONAL MFN RENEWAL AND I SAID THAT WAS A CASE THAT HER MAJESTY'S GOVERNMENT HAD PUT AND THAT I HAD PUT AND THAT WAS THE CASE THAT I PUT TO PRESIDENT CLINTON. IT WAS THE CASE THAT I PUT TO OTHER MEMBERS OF THE ADMINISTRATION AND IF I WAS TO SAY THAT THE ONLY CASE I HAD PUT WAS FOR UNCONDITIONAL MFN RENEWAL, THE HONOURABLE MEMBER MIGHT SAY TO ME THAT I WAS PERHAPS BEING A LITTLE UNREALISTIC SINCE IT DID NOT LOOK TO THE OUTSIDE OBSERVER AS THOUGH UNCONDITIONAL RENEWAL WAS LIKELY THIS YEAR.

SO I HAVE ALWAYS ADDED THE ARGUMENT AGAINST HEAVILY QUALIFIED MFN RENEWAL, BUT I WANT TO MAKE IT CLEAR TO THE HONOURABLE LADY, AS I SAID IN MY STATEMENT, THAT I ARGUED THE CASE FOR UNCONDITIONAL MFN RENEWAL. I DID THAT WHEN I SPOKE AT THE AMERICAN CHAMBER OF COMMERCE A COUPLE OF WEEKS BEFORE MY VISIT TO WASHINGTON AND I MADE THAT CASE AGAIN IN WASHINGTON AND NEW YORK.

THE PRESIDENT: FOLLOW THROUGH.

MRS MIRIAM LAU: PERHAPS THE GOVERNOR CAN CLARIFY EXACTLY WHAT HE MEANS BY HEAVILY QUALIFIED.

GOVERNOR: WELL, FIRST OF ALL, I TAKE IT THAT THE HONOURABLE LADY IS ACCEPTING THAT I SAID IN MY STATEMENT THAT I HAD ARGUED, WE HAD ARGUED, FOR UNCONDITIONAL MFN RENEWAL. THAT'S POINT ONE. RIGHT?

MRS MIRIAM LAU: NOTWITHSTANDING THAT GOVERNOR YOU HAVE REPEATEDLY USED THE WORD HEAVILY QUALIFIED, WHICH GIVES ME A GREAT DEAL OF CONCERN.

GOVERNOR: WELL, I'VE USED THAT PHRASE BECAUSE IT LOOKS AS THOUGH THE UNITED STATES ADMINISTRATION IS GOING TO CHANGE U.S. POLICY AND IS GOING TO INTRODUCE CONDITIONS, AND HEAVILY CONDITIONAL RENEWAL WOULD BE THE SORT OF RENEWAL SO HUNG ABOUT WITH CONDITIONS AS TO HAVE A SERIOUS IMPACT ON CHINA/US TRADE AND THEREFORE AN IMPACT ON US. BUT IN ORDER TO SATISFY THE HONOURABLE LADY BEYOND ANY DOUBT WHATSOEVER, I REPEAT ONCE AGAIN THAT I HAVE ARGUED THE CASE IN PUBLIC AND IN PRIVATE FOR UNCONDITIONAL MFN RENEWAL. FULL STOP, PERIOD, END OF SENTENCE, END OF PARAGRAPH.

MS ANNA WU: GOVERNOR, I WONDER IF ON YOUR TRIP TO THE UNITED STATES, HAVE YOU SUGGESTED TO ANY OF THOSE THAT YOU MET TO COME TO THIS PART OF THE WORLD AND TO ADDRESS THE LEGISLATIVE COUNCILLORS COLLECTIVELY? IF NOT, WOULD YOU BE WILLING TO DO SO IN THE IMMEDIATE FUTURE?

GOVERNOR: THAT ISN'T AN INVITATION THAT I HAVE MADE ON THE LEGISLATIVE COUNCIL'S BEHALF TO ANY OF THE LEADERS THAT I HAVE MET ON ANY OF MY TRIPS. I THINK I WOULD WANT TO HAVE THE ADVICE AND GUIDANCE OF THE LEGISLATIVE COUNCIL BEFORE I OFFERED SUCH AN INVITATION ON ITS BEHALF. I THINK THAT IT MAY BE A SHADE CONTROVERSIAL WERE I TO EXTEND AN INVITATION TO A PARTY WITHOUT FIRST OF ALL ENQUIRING OF THE HOST WHETHER THE HOST ACTUALLY WANTED TO HAVE GUESTS THAT EVENING AND FOOT THE BILL. SO IF THIS COUNCIL IN DUE COURSE WISHES TO BE ADDRESSED BY SOME OF THOSE WHO I HAVE MET, I WILL LOOK FORWARD TO HEARING FROM THE COUNCIL. I AM SURE IN DUE COURSE THAT IT WILL BE, AS AN IMPORTANT ASSEMBLY.



MR SIMON IP: GOVERNOR, YOU OF COURSE KNOW THAT THERE WAS A DEBATE IN THIS COUNCIL YESTERDAY ON THE QUESTION OF UNCONDITIONAL RENEWAL OF MFN. MANY OPINIONS WERE EXPRESSED YESTERDAY, ALL OF WHICH WERE VERY VALID AND RESPECTABLE BUT THEY WERE DIFFERENT. SO, CLEARLY A MESSAGE WILL BE SENT TO OUR FRIENDS IN THE U.S. AND TO CHINA AND THEY MAY RECEIVE MIXED MESSAGES IN RELATION TO THAT DEBATE. WHAT DO YOU INTEND TO DO ABOUT IT, IF ANYTHING?

GOVERNOR: WELL, I CAN'T OBLITERATE ONE OF THE CONSEQUENCES OF A PLURAL SOCIETY, NAMELY THAT PEOPLE, EVEN LEGISLATORS, DISAGREE FROM TIME TO TIME. AS I UNDERSTAND IT - BUT I MUST BE CAREFUL NOT TO ATTEMPT TO INTERPRET THE CONTROVERSIES THAT OCCASIONALLY MAKE THIS AN EVEN LIVELIER AND FRIENDLIER AND MORE AMICABLE PLACE TO LIVE THAN IT OTHERWISE WOULD BE - AS I UNDERSTAND IT, THE MAIN DISAGREEMENT WAS ABOUT THE EXTENT TO WHICH THE ISSUE OF HUMAN RIGHTS SHOULD FEATURE IN ANY DISCUSSION OF TRADE MATTERS. PERHAPS I AM TELEGRAMING WHAT WAS AT THE HEART OF THE ARGUMENT, IF SO I APOLOGISE TO HONOURABLE MEMBERS BUT THAT IS WHAT IT SEEMED TO A HUMBLE READER.

IT IS NOT VERY SURPRISING THAT THERE SHOULD BE DIFFERENCES ABOUT THAT; I THINK THERE ARE PROBABLY DIFFERENCES IN THE COMMUNITY. BUT I THINK WHERE THE COMMUNITY AND WHERE THIS LEGISLATIVE COUNCIL IS WHOLLY AT ONE IS IN ITS BELIEF THAT TRADE SHOULD NOT BE POLITICISED, THAT ECONOMICS AND POLITICS SHOULD BE KEPT APART. THERE MAY BE SOME HONOURABLE MEMBERS WHO THINK THAT IT WOULD BE EASIER TO PUT THAT ARGUMENT IF IT WAS ALWAYS APPARENT THAT THE PRC WISHED TO KEEP ECONOMICS AND TRADE ON THE ONE HAND AND POLITICS ON THE OTHER APART, BUT I THINK THAT MOST OF US BELIEVE THAT IS THE CASE, JUST AS MOST OF US BELIEVE THAT IMPROVED HUMAN RIGHTS EVERYWHERE ARE IMPORTANT.

DR K C LAM: MR PRESIDENT, IN ORDER TO ALLOW THIS COUNCIL TO GAUGE FOR ITSELF THE MISSIONS ACCOMPLISHED IN THE GOVERNOR'S RECENT VISIT TO THE UNITED STATES, WOULD THE GOVERNOR GIVE US AN IDEA ROUGHLY OF WHAT PROPORTION OF THE PERSONALITIES HE CALLED ON THERE WAS REALLY POLITICIANS AND JOURNALISTS? WHAT PROPORTION WAS REALLY ECONOMIC PERSONALITIES AND WHETHER OVERALL THE QUESTIONS HE DREW WERE MORE COMMONLY ON POLITICS OR ON TRADE?

GOVERNOR: I FIND IT DIFFICULT TO UNDERSTAND THE DISTINCTION THE HONOURABLE GENTLEMAN IS MAKING. DOES HE REGARD THE PRESIDENT OF THE UNITED STATES AS A POLITICIAN IN THE ONE CATEGORY OR SOMEBODY WHO CAN AFFECT THE OUTCOME OF THE AMERICAN ECONOMY ON THE OTHER. I WOULD HAVE THOUGHT THAT THE PRESIDENT OF THE UNITED STATES PUT HIMSELF IN BOTH CATEGORIES. TO LOOK AT THINGS THE OTHER WAY ROUND, THE TREASURY SECRETARY AND THE PRESIDENT'S CHIEF ECONOMIC ADVISER WEAR ECONOMIC HATS BUT ALSO HAVE POLITICAL INTERESTS AS WELL, INDEED THE TREASURY SECRETARY WAS UNTIL RECENTLY A MOST DISTINGUISHED SENATOR AND CHAIRMAN OF THE FINANCE COMMITTEE. SO I DON'T THINK IT IS POSSIBLE TO MAKE THE SORT OF HARD AND FAST DISTINCTION THAT THE HONOURABLE MEMBER HIMSELF MAKES. BUT THE MAJORITY OF MY CONVERSATIONS AND THE MAJORITY OF MY SPEECHES FEATURED SOLELY ON - OR FOCUSSED SOLELY ON TRADE AND ECONOMIC MATTERS.

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DR PHILIP WONG:           THANK YOU PRESIDENT. GOVERNOR, I WONDER WHETHER YOU CAN TELL THIS COUNCIL THAT IN YOUR MIND, WITH REFERENCE TO THE RENEWAL OF MFN, IF THERE IS ANY CONDITIONS WHICH IS NOT LIKELY TO HURT HONG KONG AT ALL?

GOVERNOR:           I IMAGINE YOU COULD ATTACH CONDITIONS TO MFN RENEWAL WHICH WERE SO GENERAL OR SO RHETORICAL THAT THEY WOULD BE UNLIKELY TO HAVE ANY ECONOMIC EFFECT. THERE MIGHT THEN BE AN ARGUMENT ABOUT WHETHER THERE WAS ANY POINT IN ATTACHING THEM AT ALL BUT THERE ARE OF COURSE GRADATIONS OF CONDITION. EQUALLY THERE ARE GRADATIONS OF PRC REACTION TO ANY SET OF CONDITIONS. IT'S NOT FOR ME TO SPECULATE ABOUT HOW CHINESE OFFICIALS WOULD REACT TO PARTICULAR SORTS OF CONDITION BUT OBVIOUSLY THAT WOULD HAVE SOME EFFECT AS WELL. SO I THINK THE ANSWER TO THE HONOURABLE GENTLEMAN'S QUESTION IS THAT THERE PROBABLY ARE SORTS OF CONDITION WHICH WOULDN'T HAVE ANY EFFECT BUT BEST OF ALL IS TO HAVE NO CONDITIONS AT ALL.

I THINK THAT IT'S WORTH REMEMBERING THAT THE TERM MOST FAVOURED NATION IS A SLIGHT MISNOMER. WHAT MOST FAVOURED NATION STATUS MEANS IS A NORMAL TRADING RELATIONSHIP. IT DOESN'T SOMEHOW PUT A NATION WHICH ENJOYS THAT STATUS IN A SPECIAL CATEGORY EXCEPT THAT HAVING A NORMAL TRADING RELATIONSHIP MAY BE REGARDED BY SOME IN AN INCREASINGLY PROTECTIONIST WORLD AS SPECIAL. BUT I THINK THAT IT MAY BE THE CASE THAT IN CONVEYING THE ARGUMENT FOR MFN RENEWAL TO AMERICAN PUBLIC OPINION, THE WORDS MOST FAVOURED NATION DO MAKE IT MORE DIFFICULT FOR THOSE WHO, LIKE ME, ADVOCATE FREE TRADE.

MS EMILY LAU: THANK YOU MR PRESIDENT. I WANT TO ASK THE GOVERNOR THAT IN HIS MEETING WITH PRESIDENT CLINTON, APART FROM TALKING ABOUT TRADE, WAS THERE ANYTHING ELSE HE TOLD THE AMERICAN PRESIDENT THAT AMERICA COULD DO TO HELP HONG KONG IN THIS VERY DIFFICULT TRANSITION PERIOD. FOR EXAMPLE PASSPORTS, AN AREA WHICH BRITAIN IS SO RELUCTANT TO HELP.

GOVERNOR:           I DIDN'T TALK ABOUT PASSPORTS TO PRESIDENT CLINTON AND I WILL PASS BY THE ADDENDUM TO THE HONOURABLE LADY'S QUESTION IN ORDER TO ENSURE THAT THIS SESSION ENDS AS HARMONIOUSLY AS POSSIBLE. I WAS ASKED BY THE PRESIDENT ABOUT POLITICAL DEVELOPMENTS IN HONG KONG JUST AS HE HAD BEEN ASKED ABOUT HIS VIEWS ON THEM BY JOURNALISTS WHO CAME IN TO TAKE OUR PHOTOGRAPH AT THE BEGINNING OF OUR DISCUSSION AND I ANSWERED IN TERMS WHICH WOULD BE FAMILIAR TO THE LEGISLATIVE COUNCIL. EQUALLY AS THE HONOURABLE LADY WILL KNOW, THE PRESIDENT HIMSELF MADE IT PLAIN THAT WHILE HE WAS INTERESTED IN THE SUCCESSFUL OUTCOME FOR HONG KONG, HE RECOGNISED THAT THE MATTERS UNDER DISCUSSION WERE FOR THE PRESENT AND FUTURE SOVEREIGN POWERS.

MS EMILY LAU: MR PRESIDENT, JUST A SHORT FOLLOW UP. WHAT I WANT TO ASK THE GOVERNOR IS, APART FROM TRADE, WHAT OTHER AREAS CAN AMERICA ASSIST HONG KONG, SO MAY BE - YOU MENTIONED POLITICAL REFORMS, MAY BE THAT'S AN AREA YOU THINK AMERICA CAN ASSIST. MAY BE THERE ARE OTHER THINGS THAT AMERICA CAN DO FOR US. I JUST ASKED WHETHER YOU TOOK THE OPPORTUNITY TO PUT IT TO THE PRESIDENT AND SAY, MAY BE, APART FROM TRADE, CAN YOU DO THIS TO HELP HONG KONG AS WELL.

/GOVERNOR: .....

GOVERNOR: I DON'T THINK THAT I WOULD DISAGREE WITH THE PRESIDENT IN HIS ANALYSIS OF THE POLITICAL REFORM ISSUE. THAT IS, THAT A SUCCESSFUL RESOLUTION OF OUR DISAGREEMENT WITH CHINA IS A MATTER FOR BRITAIN AND CHINA IN WHICH OTHERS DON'T HAVE A ROLE. BUT THERE WERE OTHER MATTERS THAT I RAISED WITH THE PRESIDENT AND HIS ADMINISTRATION. ONE OF THEM I'VE REFERRED TO ALREADY IN MY REMARKS TO THE HONOURABLE MEMBER, THAT IS, THE NORMALISATION OF RELATIONS BETWEEN VIETNAM AND THE UNITED STATES. THAT IS CLEARLY AN ISSUE WHERE, GIVEN ACTION BY THE UNITED STATES, IS IN THE INTERESTS OF HONG KONG. I THINK OVERALL THAT THE MOST IMPORTANT ASPECT OF OUR RELATIONSHIP TODAY AND IN THE FUTURE WITH THE UNITED STATES IS OUR ECONOMIC AND TRADING RELATIONSHIP THOUGH THAT OF COURSE HAS HUMAN AND SOCIAL CONNOTATIONS. I SAID BEFORE I LEFT HONG KONG, AND I SAID WHEN I WAS IN THE UNITED STATES, THAT IN MY JUDGMENT THE MOST IMPORTANT GUARANTEE OF HONG KONG'S FUTURE PROSPERITY AND STABILITY AND WAY OF LIFE WAS A GOOD AND CONSTRUCTIVE RELATIONSHIP BETWEEN CHINA AND THE UNITED STATES. AND THAT IS A MORE BROAD POINT THAN THE HONOURABLE LADY MENTIONED BUT IT'S ONE I FEEL EXTREMELY STRONGLY.

PRESIDENT: IN ACCORDANCE WITH STANDING ORDERS I NOW ADJOURN THIS SITTING UNTIL WEDNESDAY, 19TH MAY, 1993.

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BUSY AFTERNOON FOR LADY THATCHER

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FORMER BRITISH PRIME MINISTER LADY THATCHER STARTED HER FIRST DAY'S OFFICIAL VISIT PROGRAMME IN HONG KONG THIS (THURSDAY) AFTERNOON BY VISITING THE ST JAMES' SETTLEMENT IN WAN CHAI.

ACCOMPANIED BY THE VICE-CHAIRMAN OF ST JAMES' SETTLEMENT, MR IAN MACCALLUM, AND HIS DIRECTOR, MR MICHAEL LAI, LADY THATCHER TOURED THE SHELTERED WORKSHOP FOR THE MENTALLY HANDICAPPED ON THE SIXTH FLOOR OF THE BUILDING WHERE SHE SAW 140 MENTALLY HANDICAPPED WORKERS ACTIVELY ENGAGE IN SIMPLE PACKING AND LABELLING WORK.

SHE ALSO VISITED THE DAY CARE CENTRE FOR THE ELDERLY ON THE SECOND FLOOR TO SEE HOW ELDERLY PEOPLE IN THE CENTRE SPEND THEIR PASTIME IN A LEISURELY MANNER.

LADY THATCHER THEN PROCEEDED TO VISIT THE NEW AIRPORT PROJECTS CO-ORDINATION OFFICE (NAPCO) AT SHUI ON CENTRE WHERE SHE WAS BRIEFED ON THE AIRPORT CORE PROGRAMME BY THE NAPCO DIRECTOR, MR BILLY LAM, AND THE CHIEF EXECUTIVE OFFICER OF THE PROVISIONAL AIRPORT AUTHORITY (PAA), DR HENRY TOWNSEND.

THE BRIEFING WAS FOLLOWED BY A VISIT TO THE NEW AIRPORT SITE AT CHEK LAP KOK, ACCOMPANIED BY PAA SENIOR STAFF.

LADY THATCHER CONCLUDED THE AFTERNOON'S OFFICIAL PROGRAMME BY VISITING THE NEW ROYAL NAVY BASE ON STONECUTTER'S ISLAND AND MEETING PERSONNEL OF THE ROYAL NAVY, INCLUDING LOCALLY EMPLOYED ONES, THERE.

EARLIER TODAY, SHE HAD A MEETING WITH MR ZHOU NAN, DIRECTOR OF THE HONG KONG BRANCH OF THE NEW CHINA NEWS AGENCY.

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1993/94 LAND SALES PROGRAMME

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THE GOVERNMENT'S LAND SALES PROGRAMME FOR 1993/94 WILL CONSIST OF 24.93 HECTARES OF LAND INVOLVING 34 SITES, ACCORDING TO THE PRINCIPAL GOVERNMENT LAND AGENT, MR BOB POPE.

ANNOUNCING THE DETAILS OF THE PROGRAMME, MR POPE SAID THE LAND WOULD INCLUDE 18.3 HECTARES FOR COMMERCIAL, COMMERCIAL/RESIDENTIAL AND RESIDENTIAL USES WHICH COULD PRODUCE SOME 11,500 FLATS, AND 3.91 HECTARES FOR INDUSTRIAL USE.

A LARGE SITE OF 1.57 HECTARES WOULD BE OFFERED FOR SALE UNDER THE PRIVATE SECTOR PARTICIPATION SCHEME AND IT WOULD PRODUCE A TOTAL OF 1,450 FLATS FOR THE HOME OWNERSHIP SCHEME.

HE SAID THE ADMINISTRATION WAS CONSCIOUS OF THE CURRENT DEMAND IN THE PROPERTY MARKET AND WAS KEEN TO ENSURE THAT SUFFICIENT NUMBER OF FLATS WOULD BE PRODUCED FROM GOVERNMENT LAND SALES TO KEEP PROPERTY PRICES STABLE.

HE NOTED THAT THE LARGEST SITE IN THE LAND SALE PROGRAMME IS A 4.25-HECTARE LOT IN LUNG PING ROAD, TAI WOH PING WHICH HAD BEEN EARMARKED FOR RESIDENTIAL PURPOSE.

HE ALSO POINTED OUT THAT A CONSIDERABLE NUMBER OF FLATS ARE ESTIMATED TO BE PRODUCED FROM DEVELOPMENTS ARISING FROM LAND EXCHANGES AND LEASE MODIFICATIONS BEING PROCESSED THIS YEAR WITH AN ESTIMATED REVENUE OF \$9.875 BILLION.

THE LAND SALES PROGRAMME WILL INCLUDE THREE GOVERNMENT OFFICE BUILDING SITES WITH A TOTAL AREA OF 1.58 HECTARES IN FARM ROAD, TO KWA WAN, KING'S ROAD, NORTH POINT AND TONG YAN STREET, KWUN TONG.

IT WILL ALSO INCLUDE SIX SITES FOR LETTER A/B TENDER AMOUNTING TO 55,312 SQUARE METRES AND THIS WOULD RESULT IN THE SURRENDER OF 1,488,432 SQUARE FEET OF OUTSTANDING LETTER-B.

UPON COMPLETION OF THESE TENDERS, MR POPE SAID, THE AMOUNT OF LETTER-B OUTSTANDING WOULD BE NEARLY EXHAUSTED.

HE SAID THE TOTAL REVENUE FROM LAND SALES WAS ESTIMATED TO BE \$9,345 MILLION AS COMPARED TO THE ACTUAL REVENUE OF \$11,511 MILLION FROM LAST YEAR'S LAND SALES.

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INITIAL FINDINGS OF 92/93 PAY TREND SURVEY  
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THE PAY SURVEY AND RESEARCH UNIT HAS COMPLETED THE PAY TREND SURVEY FOR 1992/93 WHICH MEASURES PAY TRENDS IN A SELECTED GROUP OF COMPANIES DURING THE PERIOD APRIL 2, 1992 TO APRIL 1, 1993.

THE INITIAL FINDINGS OF THE SURVEY INDICATE THAT THE FOLLOWING AVERAGE PAY INCREASES HAVE BEEN AWARDED BY THE SURVEYED COMPANIES:

11.77 PER CENT FOR EMPLOYEES EARNING LESS THAN \$9,305 PER MONTH;

11.90 PER CENT FOR EMPLOYEES EARNING BETWEEN \$9,305 AND \$28,530 PER MONTH;

11.32 PER CENT FOR EMPLOYEES EARNING BETWEEN \$28,531 AND \$57,475 PER MONTH.

A SPOKESMAN FOR THE PAY SURVEY AND RESEARCH UNIT EMPHASISED THAT THESE INITIAL FINDINGS WERE SUBJECT TO VALIDATION BY THE PAY TREND SURVEY COMMITTEE.

THE COMMITTEE, CHAIRED BY A MEMBER OF THE STANDING COMMISSION ON CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE, MR ANDREW K W SO, WILL MEET SHORTLY TO EXAMINE AND VALIDATE THE SURVEY RESULTS.

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POLICE ADVICE ON PETITION OUTSIDE GOVT HOUSE  
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IN RESPONSE TO PRESS ENQUIRIES CONCERNING THE 23 PERSONS WHO WERE ARRESTED OUTSIDE THE GOVERNMENT HOUSE ON MARCH 25, A POLICE SPOKESMAN SAID,:

"IN THE LATE AFTERNOON OF MARCH 25, 1993, OVER A HUNDRED DEMONSTRATORS PROTESTING AGAINST THE HOUSING AUTHORITY'S "DOUBLE RENT" POLICY. A TOTAL OF 23 (SEVEN MALES AND 16 FEMALES) WERE ARRESTED AND REMOVED FROM THE CENTRE OF THE VEHICULAR CARRIAGEWAY OF UPPER ALBERT ROAD ADJACENT TO THE MAIN ENTRANCE OF GOVERNMENT HOUSE.

PRIOR TO THE ARRESTS THEY WERE ADVISED ON NUMEROUS OCCASIONS THAT THEIR PROCESSION WAS UNLICENSED AND FOR REASONS OF PUBLIC SAFETY THEY SHOULD PRESENT THEIR PETITION AT THE EAST GATE OF GOVERNMENT HOUSE. THE ADVICE WAS IGNORED AND AFTER FIVE FORMAL WARNINGS THEY WERE ARRESTED AND RELEASED ON BAIL PENDING REVIEW OF THE CASE BY THE ATTORNEY GENERAL'S CHAMBERS.

THE ATTORNEY GENERAL'S CHAMBERS HAS DECIDED NOT TO PROSECUTE.

/THE POLICE .....

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THE POLICE WILL ISSUE A WARNING LETTER TO THE ARRESTED PERSONS ADVISING THEM THAT THEIR ACTIONS WERE UNLAWFUL AND CAUSED AN ILLEGAL OBSTRUCTION TO A MAJOR PUBLIC ROAD. THE ARRESTED PERSONS WERE RELEASED FROM BAIL UNCONDITIONALLY THIS EVENING.

THE PUBLIC ARE AGAIN ADVISED THAT , ON PUBLIC SAFETY GROUNDS, THE MAIN ENTRANCE OF GOVERNMENT HOUSE IS NOT SUITABLE FOR THE PURPOSE OF PROTEST, DEMONSTRATION OR THE HANDING IN OF PETITIONS.

ANY FURTHER DEMONSTRATION SIMILAR TO THAT OF THE MARCH 25, 1993 WILL NOT BE TOLERATED AND THE LAW WILL BE STRICTLY ENFORCED."

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#### EXTERNAL TRADE STATISTICS FOR MARCH

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THE CENSUS AND STATISTICS DEPARTMENT TODAY (THURSDAY) RELEASED DETAILED STATISTICS ON EXTERNAL TRADE WITH BREAKDOWN BY COUNTRY AND COMMODITY FOR MARCH THIS YEAR.

COMPARING MARCH 1993 WITH MARCH 1992, THE VALUE OF DOMESTIC EXPORTS TO CHINA, SINGAPORE, MALAYSIA, AND THE UNITED KINGDOM RECORDED INCREASES OF 16%, 15%, 12% AND 5.0% RESPECTIVELY.

OVER THE SAME PERIOD, DECREASES WERE RECORDED IN THE VALUE OF DOMESTIC EXPORTS TO OTHER MAJOR DESTINATIONS: TAIWAN (-21%), JAPAN (-14%), CANADA (-10%), GERMANY (-4.6%), THE UNITED STATES (-3.0%) AND THE NETHERLANDS (-1.8%).

FOR ALL DESTINATIONS TAKEN TOGETHER, THE VALUE OF DOMESTIC EXPORTS FOR MARCH 1993 INCREASED BY 1.7% OVER MARCH 1992 TO \$17,343 MILLION.

COMPARING THE FIRST QUARTER OF THIS YEAR WITH THE SAME PERIOD LAST YEAR, THE VALUE OF DOMESTIC EXPORTS TO MALAYSIA, SINGAPORE AND CHINA INCREASED BY 24%, 22% AND 18% RESPECTIVELY.

HOWEVER, DECREASES WERE RECORDED IN THE VALUE OF DOMESTIC EXPORTS TO OTHER MAJOR DESTINATIONS: GERMANY (-14%), CANADA (-14%), THE UNITED KINGDOM (-12%), JAPAN (-10%), THE NETHERLANDS (-9.1%) AND THE UNITED STATES (-6.0%).

FOR ALL DESTINATIONS TAKEN TOGETHER, THE VALUE OF DOMESTIC EXPORTS FOR THE FIRST QUARTER OF 1993 WAS \$48,709 MILLION, ABOUT THE SAME AS IN THE SAME PERIOD IN 1992.

COMPARING THE FIRST QUARTER OF 1993 WITH THE SAME PERIOD IN 1992, INCREASES IN THE VALUE OF DOMESTIC EXPORTS WERE REGISTERED FOR ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF (BY \$1,176 MILLION OR 29%); TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT (BY \$486 MILLION OR 18%); TEXTILES (BY \$424 MILLION OR 13%); AND OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES (BY \$161 MILLION OR 3.6%).

/OVER THE .....

OVER THE SAME PERIOD, DECREASES IN THE VALUE OF DOMESTIC EXPORTS WERE RECORDED FOR CLOTHING (BY \$1,645 MILLION OR 11%); MISCELLANEOUS MANUFACTURED ARTICLES CONSISTING OF MAINLY JEWELLERY, GOLDSMITHS' AND SILVERSMITHS' WARES (BY \$796 MILLION OR 15%); AND PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS (BY \$411 MILLION OR 10%).

THE VALUE OF IMPORTS IN MARCH 1993 WAS \$86,855 MILLION, AN INCREASE OF 18% OVER THAT IN MARCH 1992.

COMPARING MARCH 1993 WITH MARCH 1992, INCREASES WERE RECORDED IN THE VALUE OF IMPORTS FROM ALL THE MAJOR SUPPLIERS: SINGAPORE (+40%), MALAYSIA (+36%), GERMANY (+29%), THE UNITED STATES (+23%), JAPAN (+22%), CHINA (+19%), THE UNITED KINGDOM (+17%), THE REPUBLIC OF KOREA (+10%), TAIWAN (+9.0%) AND ITALY (+6.4%).

COMPARING THE FIRST QUARTER OF 1993 WITH THE SAME PERIOD IN 1992, THE VALUE OF IMPORTS FROM ALL THE MAJOR SUPPLIERS INCREASED: MALAYSIA (+33%), SINGAPORE (+31%), GERMANY (+28%), THE UNITED STATES (+26%), JAPAN (+18%), TAIWAN (+16%), ITALY (+16%), CHINA (+15%), THE REPUBLIC OF KOREA (+14%) AND THE UNITED KINGDOM (+12%).

THE VALUE OF IMPORTS IN THE FIRST QUARTER OF 1993 WAS \$233,054 MILLION, AN INCREASE OF 18% OVER THE SAME PERIOD IN 1992.

COMPARING THE FIRST QUARTER OF 1993 WITH THE SAME PERIOD IN 1992, INCREASES WERE RECORDED IN THE VALUE OF IMPORTS OF ALL MAJOR COMMODITY DIVISIONS.

MORE NOTABLE INCREASES WERE REGISTERED FOR ROAD VEHICLES (BY \$6,461 MILLION OR 100%); ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF (BY \$5,723 MILLION OR 31%); TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT (BY \$2,609 MILLION OR 17%); FOOTWEAR (BY \$2,344 MILLION OR 35%); CLOTHING (BY \$2,044 MILLION OR 12%); AND TEXTILES (BY \$1,824 MILLION OR 9.1%).

THE VALUE OF RE-EXPORTS IN MARCH 1993, AT \$63,469 MILLION, RECORDED A SUBSTANTIAL INCREASE OF 24% OVER MARCH 1992.

COMPARING MARCH 1993 WITH MARCH 1992, THE VALUE OF RE-EXPORTS TO CHINA, GERMANY, THE UNITED KINGDOM, SINGAPORE, THE UNITED STATES, FRANCE, CANADA AND JAPAN INCREASED SUBSTANTIALLY, BY 37%, 36%, 32%, 28%, 23%, 21%, 19% AND 16% RESPECTIVELY.

HOWEVER, THE VALUE OF RE-EXPORTS TO TAIWAN DECREASED BY 37%.

THE VALUE OF RE-EXPORTS IN THE FIRST QUARTER OF 1993 WAS \$174,198 MILLION, AN INCREASE OF 25% OVER THE SAME PERIOD IN 1992.

COMPARING THE FIRST QUARTER OF 1993 WITH THE SAME PERIOD IN 1992, INCREASES WERE RECORDED IN THE VALUE OF RE-EXPORTS TO MOST OF THE MAJOR DESTINATIONS: CHINA (+42%), SINGAPORE (+31%), THE UNITED KINGDOM (+30%), GERMANY (+21%), THE UNITED STATES (+19%), FRANCE (+18%), JAPAN (+15%), CANADA (+12%) AND THE REPUBLIC OF KOREA (+4.4%).

HOWEVER, THE VALUE OF RE-EXPORTS TO TAIWAN DECREASED BY 16%.

COMPARING THE FIRST QUARTER OF 1993 WITH THE SAME PERIOD IN 1992, INCREASES WERE RECORDED IN THE VALUE OF RE-EXPORTS OF ALL MAJOR COMMODITY DIVISIONS.

MORE NOTABLE INCREASES WERE REGISTERED FOR ROAD VEHICLES (BY \$4,971 MILLION OR 174%); ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF (BY \$3,758 MILLION OR 36%); TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT (BY \$3,243 MILLION OR 31%); FOOTWEAR (BY \$2,969 MILLION OR 40%); MISCELLANEOUS MANUFACTURED ARTICLES CONSISTING OF MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS (BY \$2,293 MILLION OR 13%); TEXTILES (BY \$2,273 MILLION OR 18%); AND CLOTHING (BY \$2,184 MILLION OR 13%).

ALL THE TRADE STATISTICS DESCRIBED HERE ARE MEASURED AT CURRENT PRICES AND NO ACCOUNT HAS BEEN TAKEN OF THE CHANGES IN PRICES BETWEEN THE PERIODS OF COMPARISON.

A SEPARATE ANALYSIS OF THE VOLUME AND PRICE MOVEMENTS OF EXTERNAL TRADE FOR MARCH 1993 WILL BE RELEASED IN EARLY JUNE.

DETAILED TRADE STATISTICS ANALYSED BY COMMODITY AND BY COUNTRY ARE PUBLISHED IN TRADE STATISTICS REPORTS.

THE MARCH 1993 ISSUE OF THE "HONG KONG EXTERNAL TRADE" WITH DETAILED ANALYSES ON THE PERFORMANCE OF HONG KONG'S EXTERNAL TRADE IN MARCH 1993 WILL BE ON SALE AT \$68.50 A COPY AROUND MAY 21.

THE REPORT CAN BE BOUGHT AT THE GOVERNMENT PUBLICATIONS CENTRE ON THE GROUND FLOOR, GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, CENTRAL, OR AT THE PUBLICATIONS SALES COUNTER OF THE CENSUS AND STATISTICS DEPARTMENT ON THE 19TH FLOOR, WANCHAI TOWER, 12 HARBOUR ROAD, WAN CHAI.

ENQUIRIES REGARDING REGULAR SUBSCRIPTION TO THE REPORT MAY BE DIRECTED TO THE INFORMATION SERVICES DEPARTMENT AT FRENCH MISSION BUILDING, 1 BATTERY PATH, HONG KONG (TEL 842 8802) AND ENQUIRIES ON TRADE STATISTICS TO THE CENSUS AND STATISTICS DEPARTMENT (TEL 582 4915).

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NOTE TO EDITORS:

THE CHANGES IN THE VALUE OF DOMESTIC EXPORTS TO THE 10 MAJOR DESTINATIONS ARE SHOWN IN TABLE 1.

TABLE 2 SHOWS THE CHANGES IN THE VALUE OF DOMESTIC EXPORTS OF THE 10 MAJOR COMMODITY DIVISIONS.

THE CHANGES IN THE VALUE OF IMPORTS FROM THE 10 MAJOR SUPPLIERS ARE SHOWN IN TABLE 3.

TABLE 4 SHOWS THE CHANGES IN THE VALUE OF IMPORTS OF THE 10 MAJOR COMMODITY DIVISIONS.

THE CHANGES IN THE VALUE OF HONG KONG'S RE-EXPORTS TO THE 10 MAJOR DESTINATIONS ARE SHOWN IN TABLE 5.

TABLE 6 SHOWS THE CHANGES IN THE VALUE OF RE-EXPORTS OF THE 10 MAJOR COMMODITY DIVISIONS.

TABLE 1 : DOMESTIC EXPORTS TO THE TEN MAJOR DESTINATIONS

DESTINATION	MAR 1993 (HKD Mn )	MAR 93 OVER MAR 92 (% CHANGE)	JAN-MAR 1993 (HKD Mn )	JAN-MAR 93 OVER JAN-MAR 92 (% CHANGE)
CHINA	5,393	+ 15.8	14,005	+ 17.7
UNITED STATES	3,962	- 3.0	11,603	- 6.0
GERMANY	958	- 4.6	2,941	- 14.1
SINGAPORE	973	+ 14.6	2,685	+ 21.7
JAPAN	930	- 13.9	2,467	- 9.7
UNITED KINGDOM	866	+ 5.0	2,346	- 11.5
TAIWAN	510	- 20.9	1,433	+ 0.1
NETHERLANDS	350	- 1.8	1,093	- 9.1
CANADA	298	- 10.4	1,038	- 13.6
MALAYSIA	252	+ 12.3	677	+ 23.6

/TABLE 2 : .....

TABLE 2 : DOMESTIC EXPORTS OF THE TEN MAJOR COMMODITY DIVISIONS

COMMODITY DIVISION	MAR 1993 (HKD Mn )	MAR 93 OVER MAR 92 (% CHANGE)	JAN-MAR 1993 (HKD Mn )	JAN-MAR 93 OVER JAN-MAR 92 (% CHANGE)
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	4,182	- 0.7	13,583	- 10.8
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	1,899	+ 23.1	5,189	+ 29.3
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	1,694	- 8.9	4,595	+ 3.6
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY JEWELLERY, GOLDSMITHS' AND SILVERSMITHS' WARES)	1,738	- 11.1	4,349	- 15.5
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	1,443	+ 8.5	3,729	+ 12.8
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	1,310	- 10.3	3,719	- 10.0
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	1,224	+ 21.4	3,151	+ 18.3
MANUFACTURES OF METALS	401	+ 1.8	1,083	- 4.7
PLASTICS IN PRIMARY FORMS	317	+ 3.0	807	+ 3.5
MACHINERY SPECIALIZED FOR PARTICULAR INDUSTRIES	292	+ 13.1	778	+ 10.6

TABLE 3 : IMPORTS FROM THE TEN MAJOR SUPPLIERS

SUPPLIER	MAR 1993 (HKD Mn )	MAR 93 OVER MAR 92 (% CHANGE)	JAN-MAR 1993 (HKD Mn )	JAN-MAR 93 OVER JAN-MAR 92 (% CHANGE)
CHINA	31,028	+ 18.6	82,853	+ 14.6
JAPAN	15,763	+ 22.0	40,877	+ 18.3
TAIWAN	7,847	+ 9.0	20,724	+ 15.8
UNITED STATES	6,227	+ 23.3	17,586	+ 26.0
REPUBLIC OF KOREA	4,126	+ 10.5	10,793	+ 14.4
SINGAPORE	3,812	+ 40.1	10,162	+ 30.9
GERMANY	2,188	+ 28.9	5,858	+ 27.5
UNITED KINGDOM	1,771	+ 17.1	4,869	+ 11.5
ITALY	1,383	+ 6.4	3,627	+ 15.6
MALAYSIA	1,323	+ 36.4	3,402	+ 32.6

/TABLE 4 : .....

TABLE 4 : IMPORTS OF THE TEN MAJOR COMMODITY DIVISIONS

COMMODITY DIVISION	MAR 1993 (HKD Mn )	MAR 93 OVER MAR 92 (% CHANGE)	JAN-MAR 1993 (HKD Mn )	JAN-MAR 93 OVER JAN-MAR 92 (% CHANGE)
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	8,850	+ 26.8	24,364	+ 30.7
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	8,955	+ 1.8	21,791	+ 9.1
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	6,844	+ 20.4	18,603	+ 12.3
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	7,042	+ 24.7	18,178	+ 16.8
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS)	5,719	+ 12.5	15,645	+ 9.0
ROAD VEHICLES	5,386	+148.9	12,897	+100.4
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	3,857	+ 11.4	10,392	+ 5.1
FOOTWEAR	3,010	+ 22.3	9,133	+ 34.5
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	3,180	+ 16.0	8,356	+ 17.1
GENERAL INDUSTRIAL MACHINERY AND EQUIPMENT, AND MACHINE PARTS	3,070	+ 29.1	7,753	+ 36.0

/TABLE 5 : .....

TABLE 5 : RE-EXPORTS TO THE TEN MAJOR DESTINATIONS

DESTINATION	MAR 1993 (HKD Mn )	MAR 93 OVER MAR 92 (% CHANGE)	JAN-MAR 1993 (HKD Mn )	JAN-MAR 93 OVER JAN-MAR 92 (% CHANGE)
CHINA	21,849	+ 36.7	58,260	+ 41.8
UNITED STATES	12,136	+ 22.7	34,006	+ 19.4
JAPAN	3,363	+ 16.4	9,202	+ 15.4
GERMANY	3,070	+ 36.2	8,928	+ 20.9
TAIWAN	1,858	- 37.3	5,301	- 15.5
UNITED KINGDOM	1,582	+ 32.5	4,630	+ 30.0
SINGAPORE	1,523	+ 28.1	3,989	+ 30.5
REPUBLIC OF KOREA	1,258	+ 0.5	3,347	+ 4.4
FRANCE	1,053	+ 20.8	2,932	+ 17.6
CANADA	884	+ 19.1	2,677	+ 11.7

/TABLE 6 : .....

TABLE 6 : RE-EXPORTS OF THE TEN MAJOR COMMODITY DIVISIONS

COMMODITY DIVISION	MAR 1993 (HKD Mn )	MAR 93 OVER MAR 92 (% CHANGE)	JAN-MAR 1993 (HKD Mn )	JAN-MAR 93 OVER JAN-MAR 92 (% CHANGE)
MISCELLANEOUS MANUFACTURED ARTICLES (MAINLY BABY CARRIAGES, TOYS, GAMES AND SPORTING GOODS)	7,333	+ 12.7	20,199	+ 12.8
ARTICLES OF APPAREL AND CLOTHING ACCESSORIES	6,408	+ 27.8	18,928	+ 13.0
TEXTILE YARN, FABRICS, MADE-UP ARTICLES AND RELATED PRODUCTS	5,929	+ 8.9	14,890	+ 18.0
ELECTRICAL MACHINERY, APPARATUS AND APPLIANCES, AND ELECTRICAL PARTS THEREOF	5,334	+ 29.4	14,247	+ 35.8
TELECOMMUNICATIONS AND SOUND RECORDING AND REPRODUCING APPARATUS AND EQUIPMENT	5,258	+ 38.6	13,709	+ 31.0
FOOTWEAR	3,321	+ 33.5	10,480	+ 39.5
ROAD VEHICLES	2,948	+211.7	7,831	+173.9
PHOTOGRAPHIC APPARATUS, EQUIPMENT AND SUPPLIES, OPTICAL GOODS, WATCHES AND CLOCKS	2,778	+ 36.6	7,394	+ 17.7
OFFICE MACHINES AND AUTOMATIC DATA PROCESSING MACHINES	2,237	+ 28.9	6,358	+ 38.5
TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS	2,118	+ 21.5	5,667	+ 9.3

THURSDAY, MAY 13, 1993

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BUSINESS SURVEY RESULTS FOR FIRST QUARTER RELEASED

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FIRMS FROM THE TRADES OF REAL ESTATE DEVELOPMENT AND RELATED SERVICES EXPERIENCED A BETTER THAN EXPECTED GENERAL BUSINESS SITUATION IN THE FIRST QUARTER OF THIS YEAR. THIS WAS DUE TO A MORE ACTIVE PROPERTY MARKET IN THE QUARTER.

LOOKING AHEAD, THE FIRMS GENERALLY EXPECT THAT THE SITUATION IN THE FIRST QUARTER WILL CONTINUE IN THE FOLLOWING QUARTER.

MANUFACTURERS GENERALLY REPORTED THAT THE GENERAL BUSINESS SITUATION AND CAPACITY UTILISATION IN THE FIRST QUARTER DETERIORATED AS COMPARED WITH THE PRECEDING QUARTER.

THIS WAS, HOWEVER, LARGELY SEASONAL AS THE FIRST QUARTER IS USUALLY A QUIET SEASON FOR MANUFACTURING ACTIVITIES DUE TO THE LUNAR NEW YEAR HOLIDAYS.

LOOKING AHEAD, MANUFACTURERS EXPECT A SEASONAL IMPROVEMENT IN BOTH ASPECTS IN THE SECOND QUARTER.

THESE ARE SOME OF THE MAJOR RESULTS OF THE QUARTERLY BUSINESS SURVEY RELEASED TODAY (THURSDAY) BY THE CENSUS AND STATISTICS DEPARTMENT.

PRICE COMPETITION FROM BOTH LOCAL AND OVERSEAS COMPETITORS REMAINED THE BUSINESS PROBLEM MOST CITED BY THE MANUFACTURERS AND WILL CONTINUE TO WORRY THEM IN THE FOLLOWING QUARTER.

FURTHERMORE, THE PROBLEM OF HIGH WAGE RATES WAS ALSO WIDELY REPORTED.

FOR INDIVIDUAL MANUFACTURING INDUSTRIES, THE WEARING APPAREL INDUSTRY EXPERIENCED SEASONAL DETERIORATION IN BOTH THE GENERAL BUSINESS SITUATION AND CAPACITY UTILISATION DURING THE FIRST QUARTER.

ALSO THE PRESSURES OF KEEN PRICE COMPETITION AND HIGH LABOUR TURNOVER INTENSIFIED IN THE QUARTER.

LOOKING AHEAD, MANUFACTURERS GENERALLY EXPECT A SEASONAL IMPROVEMENT IN THE BUSINESS SITUATION IN THE FOLLOWING QUARTER.

MANUFACTURERS FROM THE TEXTILES INDUSTRY REPORTED THAT THE GENERAL BUSINESS SITUATION AND CAPACITY UTILISATION ALSO DETERIORATED IN THE QUARTER. THEY WERE TROUBLED BY INSUFFICIENT BUSINESS ORDERS AND KEEN PRICE COMPETITION.

BOTH THE GENERAL BUSINESS SITUATION AND CAPACITY UTILISATION OF THE ELECTRONICS INDUSTRY CONTINUED TO IMPROVE IN THE QUARTER, IN LINE WITH EARLIER EXPECTATION.

PRICE COMPETITION REMAINED KEEN IN THE QUARTER, PARTICULARLY THOSE FROM OVERSEAS COMPETITORS. SHORTAGE OF SKILLED LABOUR ALSO INTENSIFIED A LITTLE IN THE QUARTER.

/THE GENERAL .....

THE GENERAL BUSINESS SITUATION OF THE PRINTING INDUSTRY SHOWED LITTLE CHANGE IN THE QUARTER AS THE MAJORITY OF FIRMS EXPERIENCED THE SAME SITUATION AS IN THE PREVIOUS QUARTER.

DESPITE THE KEEN COMPETITION BOTH LOCALLY AND FROM OVERSEAS, MANUFACTURERS IN THE INDUSTRY EXPECT THAT THE GENERAL BUSINESS SITUATION WILL IMPROVE AGAIN IN THE FOLLOWING QUARTER.

THE GENERAL BUSINESS SITUATION OF THE PLASTICS INDUSTRY IN THE FIRST QUARTER THIS YEAR REMAINED THE SAME AS IN THE PRECEDING QUARTER WHILE CAPACITY UTILISATION DECREASED.

LOOKING AHEAD, MANUFACTURERS EXPECT IMPROVEMENTS IN BOTH RESPECTS IN THE FOLLOWING QUARTER. KEEN PRICE COMPETITION AND HIGH WAGE RATES CONTINUED TO BOTHER THE INDUSTRY.

MANUFACTURERS FROM THE FABRICATED METAL PRODUCTS INDUSTRY EXPERIENCED A WORSE THAN EXPECTED GENERAL BUSINESS SITUATION IN THE FIRST QUARTER THIS YEAR. BUSINESS PROBLEMS LIKE KEEN PRICE COMPETITION, HIGH WAGE RATES AND SHORTAGE OF STAFF INTENSIFIED IN THE QUARTER.

NONETHELESS, MANUFACTURERS GENERALLY EXPECT A SEASONAL IMPROVEMENT IN THE BUSINESS SITUATION IN THE FOLLOWING QUARTER.

ALTHOUGH THE FIRST QUARTER IS NORMALLY A QUIET SEASON FOR THE ELECTRICAL MACHINERY AND APPLIANCE INDUSTRY, MANUFACTURERS REPORTED THAT THE GENERAL BUSINESS SITUATION IN THE FIRST QUARTER THIS YEAR MANAGED TO REMAIN SIMILAR AS IN THE PRECEDING QUARTER. LOOKING AHEAD, THE GENERAL BUSINESS SITUATION WILL CONTINUE TO IMPROVE.

RESTAURANT OPERATORS REPORTED THAT THE GENERAL BUSINESS SITUATION IN THE FIRST QUARTER REMAINED BROADLY THE SAME AS IN THE PREVIOUS QUARTER.

LOOKING AHEAD, THE MAJORITY OF RESTAURANT OPERATORS EXPECT THAT THE SITUATION WILL DETERIORATE IN THE FOLLOWING QUARTER WHEN A LOW SEASON OF BUSINESS SETS IN.

THE MAJORITY OF HOTEL OPERATORS REPORTED DETERIORATION IN THE GENERAL BUSINESS SITUATION IN THE FIRST QUARTER. THIS WAS, HOWEVER, LARGELY SEASONAL AS THE FIRST QUARTER IS NORMALLY A LOW SEASON FOR HOTEL BUSINESS.

LOOKING AHEAD, HOTEL OPERATORS GENERALLY EXPECT AN IMPROVED SITUATION AS BUSINESS STARTS TO PICK UP AGAIN IN THE SECOND QUARTER.

AS REGARDS THE WHOLESALE, RETAIL AND IMPORT/EXPORT TRADES, THE GENERAL BUSINESS SITUATION IN THE FIRST QUARTER REMAINED BROADLY THE SAME AS IN THE PREVIOUS QUARTER. MEANWHILE, KEEN PRICE COMPETITION CONTINUED TO BE THE BUSINESS PROBLEM MOST CITED IN THE TRADES.

FOR THE BANKING INDUSTRY, THERE WAS A BETTER THAN EXPECTED GENERAL BUSINESS SITUATION IN THE FIRST QUARTER.

NOTWITHSTANDING THIS FAVOURABLE SITUATION, THE BANKS REPORTED THAT THE PROBLEMS OF STAFF SHORTAGE AND STAFF TURNOVER INTENSIFIED A LOT IN THE QUARTER.

/NONETHELESS, THE .....

NONETHELESS, THE BANKS GENERALLY EXPECT THAT THE GENERAL BUSINESS SITUATION WILL IMPROVE FURTHER IN THE SECOND QUARTER.

IN THE CONSTRUCTION SECTOR, THE GENERAL BUSINESS SITUATION AND CAPACITY UTILISATION DETERIORATED IN THE FIRST QUARTER DUE TO THE LUNAR NEW YEAR HOLIDAYS.

MEANWHILE, KEEN PRICE COMPETITION AMONG LOCAL FIRMS REMAINED THE PROBLEM MOST FREQUENTLY QUOTED IN THE SECTOR. IN ADDITION, INSUFFICIENT BUSINESS AND HIGH WAGE RATES WERE OTHER MAJOR PROBLEMS ENCOUNTERED.

ABOUT 500 FIRMS FROM VARIOUS INDUSTRIES AND TRADES, FORMING A CROSS-SECTION OF THE BUSINESS COMMUNITY, PARTICIPATED IN THE SURVEY. THEY WERE ASKED ABOUT THEIR BUSINESS EXPERIENCES AND EXPECTATIONS AS WELL AS THE BUSINESS PROBLEMS THEY FACED.

THE RESULTS OF THE QUARTERLY BUSINESS SURVEY, OBTAINED WITH A MINIMUM TIME LAG, ARE INTENDED TO PROVIDE A SOURCE OF REFERENCE FOR MAKING A QUICK ASSESSMENT OF THE CURRENT ECONOMIC SITUATION OF HONG KONG FROM A SHORT-TERM PERSPECTIVE.

IN THE SURVEY, PARTICIPATING FIRMS WERE ASKED TO INDICATE WHETHER, IN THEIR OPINION, THE GENERAL BUSINESS SITUATION AND THE LEVEL OF CAPACITY UTILISATION HAD 'IMPROVED', 'REMAINED THE SAME' OR 'DETERIORATED' IN THE FIRST QUARTER OF 1993 AS COMPARED WITH THE PRECEDING QUARTER.

THEY WERE ALSO ASKED TO INDICATE WHETHER THE SITUATION IS EXPECTED TO 'IMPROVE', 'REMAIN THE SAME' OR 'DETERIORATE' IN THE SECOND QUARTER OF 1993.

THE OPINIONS OF RESPONDENTS WERE THEN ANALYSED AND THE SUMMARY FINDINGS PUBLISHED IN THE "REPORT ON QUARTERLY BUSINESS SURVEY, FIRST QUARTER 1993".

MOREOVER, THE SURVEY REPORT CONTAINS A SECTION ON THE BUSINESS PROBLEMS EXPERIENCED AND EXPECTED BY FIRMS IN THE DIFFERENT ECONOMIC SECTORS.

THE DEPARTMENT REMARKED THAT, IN A SURVEY OF THIS NATURE, THE RESULTS SHOULD BE INTERPRETED WITH CAUTION AS IT IS DIFFICULT TO ESTABLISH PRECISELY THE EXTENT TO WHICH RESPONDENTS' RECOLLECTION OF THE PAST AND PERCEPTION OF THE FUTURE ACCORDS WITH THE UNDERLYING TRENDS.

MEMBERS OF THE PUBLIC MAY BUY THE SURVEY REPORT FROM THE GOVERNMENT PUBLICATIONS CENTRE, GROUND FLOOR, GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, OR FROM THE PUBLICATIONS SALES COUNTER OF THE CENSUS AND STATISTICS DEPARTMENT, 19TH FLOOR, WANCHAI TOWER, 12 HARBOUR ROAD, WAN CHAI, AT \$12.5 A COPY.

FURTHER DETAILS OF THE QUARTERLY BUSINESS SURVEY MAY BE OBTAINED FROM THE INDUSTRIAL RESEARCH SECTION OF THE CENSUS AND STATISTICS DEPARTMENT ON TEL 839 3223.

SPLIT OF POLICE REGIONS SIGNIFICANT FOR SERVICE IMPROVEMENT

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THE DEPUTY COMMISSIONER OF POLICE (MANAGEMENT), MR KEITH LOMAS, SAID TODAY (THURSDAY) THAT THE SPLIT OF THE POLICE'S NEW TERRITORIES (N.T.) INTO SOUTH AND NORTH POLICE REGIONS WAS A SIGNIFICANT STEP IN IMPROVING POLICING SERVICES TO THE PEOPLE OF THE N.T.

ADDRESSING AT THE OPENING CEREMONY OF THE NEW N.T. SOUTH REGIONAL POLICE HEADQUARTERS AND MA ON SHAN DIVISIONAL POLICE STATION, MR LOMAS SAID, "THE MAIN EFFECT OF THIS SPLIT OF THE N.T. IS THAT WE NOW HAVE TWO FAR MORE MANAGEABLE REGIONS IN COMMAND TERMS."

"THIS WILL FACILITATE IMPROVEMENTS IN THE PLANNING, AND EXECUTION, OF OUR STRATEGIES AND TACTICS TO COMBAT AND REDUCE CRIME."

HE SAID THE NORTH REGION COVERED TUEN MUN, YUEN LONG, THE BORDER AND TAI PO AND THE SOUTH REGION EMBRACED TSUEN WAN, KWAI CHUNG AND SHATIN AND WOULD, IN DUE COURSE, ALSO ASSUME RESPONSIBILITY FOR THE POLICING OF LANTAU ISLAND, INCLUDING THE NEW AIRPORT AT CHEK LAP KOK.

"I AM, PERSONALLY, PARTICULARLY SATISFIED WITH THIS MOVE AND AM CONFIDENT THAT THE TWO NEW REGIONAL COMMANDERS ARE SIGNIFICANTLY BETTER PLACED THAN BEFORE, NOTABLY WITH REGARD TO ORGANISATION AND FACILITIES, TO DEAL EFFECTIVELY WITH THOSE IN OUR MIDST WHO CHOOSE TO BREAK THE LAW," MR LOMAS ADDED.

THE NEW 16-STOREY POLICE COMPLEX, WHICH HOUSES BOTH THE N.T. SOUTH REGIONAL HEADQUARTERS AND MA ON SHAN DIVISIONAL POLICE STATION, IS EQUIPPED WITH SOPHISTICATED COMMUNICATION SYSTEMS, AN INCIDENT COMMAND CENTRE, A NEW ONE-WAY IDENTIFICATION PARADE ROOM, MODERN OFFICE ACCOMMODATION, COMPREHENSIVE CATERING FACILITIES FOR STAFF AND A FITNESS TRAINING ROOM.

MR LOMAS SAID ALL OF THESE WERE ESSENTIAL FOR A MODERN, EFFECTIVE AND, ABOVE ALL, MOTIVATED POLICE FORCE.

HE ALSO EMPHASISED THAT THE PUBLIC HAD NOT BEEN NEGLECTED EITHER.

"SPECIFICALLY," MR LOMAS SAID, "THE REPORT ROOM HERE AT MA ON SHAN POLICE STATION HAS BEEN DESIGNED, ON THE ONE HAND, TO PROVIDE FOR A PLEASANT AND MORE ENCOURAGING ENVIRONMENT, WHILST, ON THE OTHER, GIVE MEMBERS OF THE PUBLIC GREATER PRIVACY WHEN MAKING THEIR REPORTS."

THERE ARE ALSO A NUMBER OF DEDICATED INTERVIEW ROOMS WHICH WILL PROVIDE A QUIETER AND BETTER ATMOSPHERE.

"THIS NEW POLICE FACILITY IS A FURTHER ELEMENT IN THE PROGRAMME TO PROVIDE AN EVER BETTER AND ACCESSIBLE SERVICE TO THE NEW TERRITORIES PUBLIC THAT WE, THE POLICE ARE ENDEAVOURING TO SERVE," MR LOMAS CONCLUDED.

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MORE PUBLIC EDUCATION NEEDED TO HELP DISABLED

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SUSTAINED PUBLIC EDUCATION WILL BRING A BETTER UNDERSTANDING OF DISABLED PERSONS, MRS PATTEN SAID TODAY (THURSDAY) AT THE OPENING CEREMONY OF THE NEW PREMISES OF THE YUEN LONG MORNINGLIGHT SCHOOL.

SHE SAID THE GOVERNMENT HAD ANNOUNCED THAT IT WOULD STEP UP ITS PUBLICITY EFFORT IN 1993/94 AND BEYOND.

"BUT GOVERNMENT EFFORTS ALONE ARE NOT ENOUGH.

"EVERYONE IN THE COMMUNITY SHOULD PLAY AN ACTIVE PART IN SPREADING THE MESSAGE ABOUT UNDERSTANDING AND ACCEPTING DISABLED PERSONS," SHE SAID.

MRS PATTEN STRESSED THAT THE SUCCESSFUL INTEGRATION OF THE MENTALLY HANDICAPPED INTO SOCIETY HINGED NOT ONLY ON THEIR ABILITY TO COPE IN THE COMMUNITY, BUT ALSO ON PUBLIC ATTITUDES TOWARDS THEM.

"IT IS UNFORTUNATE THAT THERE IS STILL RESISTANCE IN SOME QUARTERS TO INTEGRATING MENTALLY HANDICAPPED PERSONS INTO THE COMMUNITY.

"THIS OFTEN ARISES FROM INADEQUATE UNDERSTANDING OR PREJUDICE CAUSED BY IGNORANCE," MRS PATTEN SAID.

SHE SAID THE MOST EFFECTIVE ANSWER TO DISPELLING SUCH MISCONCEPTIONS WAS FURTHER PUBLIC EDUCATION, AND MORE PUBLICITY ABOUT THE GOOD WORK OF PEOPLE WHO SERVED THE DISABLED.

IMPRESSED BY THE NEW SCHOOL BUILDING AT FAIRVIEW PARK, MRS PATTEN SAID IT MARKED THE CULMINATION OF YEARS OF HARD WORK BY THE STAFF OF THE HONG KONG ASSOCIATION FOR THE MENTALLY HANDICAPPED.

THE SCHOOL, STARTED WITH ONLY 40 PLACES FOR MENTALLY HANDICAPPED CHILDREN, HAS BEEN SERVING THE YUEN LONG AND NEARBY DISTRICTS SINCE 1981.

THE NEW SCHOOL BUILDING, WHICH OFFERS BRAND-NEW AND BETTER FACILITIES, BRINGS 20 EXTRA SCHOOL PLACES TO CATER FOR THE GROWING DEMAND IN THE AREA.

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ADVICE FOR VISITORS TO CAMBODIA

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ON THE ADVICE OF THE BRITISH MISSION IN PHNOM PENH, THE DIRECTOR OF IMMIGRATION TODAY (THURSDAY) ADVISED BRITISH NATIONALS AND HONG KONG RESIDENTS WHO WOULD BE TRAVELLING TO CAMBODIA THAT THERE HAD BEEN VIOLENT INCIDENTS THROUGHOUT CAMBODIA IN THE PRESENT UNSETTLED POLITICAL SITUATION.

"THERE IS NO THREAT TO BRITISH NATIONALS AND HONG KONG RESIDENTS BUT CARE SHOULD BE EXERCISED," HE SAID.

/BRITISH NATIONALS .....

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BRITISH NATIONALS AND HONG KONG RESIDENTS ARE ADVISED NOT TO VISIT THE ANGKOR TEMPLE COMPLEX.

VISITORS SHOULD CONTACT THE BRITISH MISSION IN PHNOM PENH, AT HOUSE 29, STREET 75, TEL 855-23-27124 BOTH ON ARRIVAL IN THE COUNTRY AND LATER IF THEY PLAN TO TRAVEL OUTSIDE THE CAPITAL.

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SPECIAL INSPECTIONS OF PLASTIC FACTORIES START

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THE LABOUR DEPARTMENT HAS STARTED A TERRITORY-WIDE SPECIAL INSPECTION OPERATION ON PLASTIC FACTORIES IN THE WAKE OF HEAVY CASUALTIES IN A RECENT FIRE AT A PLASTIC TOY FACTORY IN BANGKOK, THAILAND.

THE DEPUTY CHIEF FACTORY INSPECTOR, MR KAN HON-SANG, SAID TODAY (THURSDAY) THAT THE SPECIAL OPERATION WILL LAST UNTIL THE END OF THE MONTH.

"DURING THE OPERATION, FACTORY INSPECTORS WILL FOCUS ON PLASTIC FACTORIES, INCLUDING THOSE MAKING TOYS, WITH UNSATISFACTORY SAFETY PERFORMANCE RECORDS, PROBLEMATIC PLANTS OR WITH HIGH-RISK WORK PROCESSES," HE SAID.

"EMPLOYERS AND EMPLOYEES WILL BE ADVISED OF THEIR RESPONSIBILITIES IN COMPLYING WITH THE SAFETY REQUIREMENTS UNDER THE LAW, ESPECIALLY THOSE RELATING TO FIRE HAZARDS," MR KAN SAID.

HE POINTED OUT THAT VIOLATIONS OF THE SAFETY REGULATIONS RELATING TO FIRE HAZARDS INCLUDE OBSTRUCTIONS TO PASSAGeways, LOCKED EXIT DOORS, NEGLIGENCE IN THE HANDLING OF INFLAMMABLE SUBSTANCES AND IMPROPER USE OF ELECTRICITY.

IN ADDITION, FACTORY INSPECTORS WILL PAY SPECIAL ATTENTION TO VIOLATIONS OF OTHER FIRE SAFETY PROVISIONS SUCH AS EXCESSIVE STORAGE OF DANGEROUS GOODS.

DURING THE OPERATION, THEY WILL STRENGTHEN LIAISON WITH THE FIRE SERVICES DEPARTMENT.

MR KAN SAID FACTORY INSPECTORS ARE DETERMINED TO TAKE PROSECUTION ACTION AGAINST THOSE WHO REPEATEDLY IGNORED THE REQUIRED SAFETY MEASURES OR HAVE NOT TAKEN ADEQUATE SAFETY MEASURES TO PREVENT FIRE HAZARDS.

HE ALSO CALLED ON PROPRIETORS AND EMPLOYEES TO TAKE ALL NECESSARY PRECAUTIONS RELATING TO GENERAL FIRE SAFETY IN FACTORIES.

"NEGLIGENCE MAY CAUSE SERIOUS CONSEQUENCES," MR KAN ADDED.

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EXHIBITION ON EMPLOYMENT LAW IN TAI PO  
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THE LABOUR DEPARTMENT WILL HOLD A THREE-DAY EXHIBITION IN TAI PO FROM TOMORROW (FRIDAY) UNTIL SUNDAY (MAY 16) TO PUBLICISE VARIOUS PROVISIONS OF THE EMPLOYMENT ORDINANCE.

ORGANISED BY THE LABOUR RELATIONS PROMOTION UNIT, THE EXHIBITION WILL, IN SIMPLE LANGUAGE AND VIVID ILLUSTRATIONS, HELP EMPLOYERS AND EMPLOYEES UNDERSTAND THEIR RIGHTS AND OBLIGATIONS UNDER THE ORDINANCE.

ON DISPLAY WILL INCLUDE INFORMATION ON PAID ANNUAL LEAVE, LONG SERVICE AND SEVERANCE PAYMENTS, MATERNITY PROTECTION AND ENTITLEMENT UPON TERMINATION OF EMPLOYMENT.

LABOUR OFFICERS WILL BE ON HAND TO ANSWER ENQUIRIES AND TO DISTRIBUTE PAMPHLETS.

A QUIZ WILL ALSO BE HELD ON THE SPOT DAILY TO AROUSE PUBLIC INTEREST IN THE SUBJECT.

THE EXHIBITION WILL BE OPEN FROM 2 PM TO 6 PM TOMORROW ON THE FIRST FLOOR, UPTOWN PLAZA, TAI PO, AND BETWEEN 10 AM AND 6 PM OVER THE WEEKEND.

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HONG KONG GOVERNMENT EXCHANGE FUND  
MONEY MARKET OPERATIONS  
\* \* \* \* \*

	\$ MILLION
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OPENING BALANCE IN THE ACCOUNT	1,550
REVERSAL OF LAF	+600
BALANCE AFTER REVERSAL OF LAF	2,150
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	-700
CLOSING BALANCE IN THE ACCOUNT	1,450
LAF RATE 2.00 BID/4.00 OFFER	TWI 112.4 *+0.1* 13.5.93

/HONG KONG .....

THURSDAY, MAY 13, 1993

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HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS

HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.83 PCT	12 MONTHS	2405	5.50	102.38	3.12
1 MONTH	2.84 PCT	15 MONTHS	2408	4.375	101.39	3.27
3 MONTHS	2.85 PCT	18 MONTHS	2411	4.625	101.79	3.43
6 MONTHS	2.94 PCT	21 MONTHS	2502	4.75	101.92	3.64
12 MONTHS	3.07 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 9,484 MN

CLOSED 13 MAY 1993

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