



## DAILY INFORMATION BULLETIN

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Transcript of the Governor's media session

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Following is the transcript of the remarks by the Governor, the Rt Hon Christopher Patten, after officiating at the topping-out ceremony of the Land Development Corporation's Wing Lok Street Redevelopment this (Monday) afternoon:

Question: After this morning's meeting, Government officials told the KCRC people to limit the scope of the technical study. Is it a sign that the Government retreats on this project?

Governor: No, not remotely. Let's be absolutely clear what the issues are. Everybody knows that Hong Kong needs a more extensive rail network. People know that we need a dedicated freight line to the north. They know that we need better passenger services to the north. And they know above all, particularly if they live in the Northwest New Territories, that we need better rail connections between Tuen Mun and other parts of the New Territories and the centre of the community - the centre of our city. Everybody equally knows that that's going to be one of biggest and most expensive infrastructure projects this community takes on after the airport. What we want to do is to take the project forward in as cost-effective a way as possible and as rapidly as possible. All that we are talking about at this stage is the essential studies which are required in order to make us, in order to put us in a position next year or the SAR in a position in which it can actually take decisions so that the project can start in 1998. There's never been any question of the project starting next year. It will be for, I imagine, us but probably even more the SAR Government to make the decisions in late 1997 or the middle of 1997, but then the work we want to start in 1998. It's only a week or two ago that some people were saying that we were trying to go too rapidly on the project. Now some people are saying that we're going too slowly on the project. What we're actually trying to do is carry it forward as sensibly and as cost-effectively as possible. And that's what we'll continue to do. It's a big project. It's going to be a very expensive project. It involves a huge amount of land resumption which is going to take up a great deal of time and energy as well as money. What we want to see is the project goes forward, but it goes forward at the best price for the people of Hong Kong.

Question: Will the Government consult the Chinese side ...?

Governor: Well, we've been keeping the Chinese side informed and obviously we'll let the Preparatory Committee and others know what the proposals and the plans are. I don't think anybody should get too excited about this. I know perfectly well that the main decisions on an issue like this are going to be taken by the SAR Government, not by Chinese officials in Peking, not by the Governor of Hong Kong today. The main decisions are going to be taken by the Chief Executive and by the SAR. What I want to ensure is that the Chief Executive and the SAR are in the best position to take the most sensible decisions, and that's why we need to carry forward some studies now, but probably not as many as were originally thought.

Question: What is your view on Andrew's Wong decision to end the LegCo session ...?

Governor: Well, I haven't had any communication from Mr Wong, the President of the Legislative Council, so far. Let's be clear what the constitutional position is, and the position that I've followed every year since I've been Governor. I announce the opening date for a Legislative Council session and we've done that for the Legislative Council session in October. The Legislative Council then give me the dates for their meetings during the year including the last meeting of their session. I don't decide that. That comes from the President who presumably consults his colleagues in the Legislative Council, and I look forward to hearing from Mr Wong when he proposes that the Legislative Council should stop sitting.

Question: What would you like to see? Would you like to see it continues past July 1 ...?

Governor: Oh, there is no question that I want to see the present Legislative Council continue until 1999. That's what we think should happen. The question of the sittings of the Legislative Council has never had anything to do with the Governor except in so far as the Governor accepts the advice of the President of the Legislative Council in deciding when the last sitting should be.

Question: But if it ended that much earlier than usual, will it affect the Government in so far as the legislative programme is concerned?

Governor: I don't believe so, but we would have to make clear to the Legislative Council that we still wanted our programme got through as rapidly as possible during the next session as rapidly as possible bearing account of the fact that it has to be considered properly. I just want to make it plain. It's not the Governor who decides when the last meeting of the Legislative Council is. I haven't been President of the Legislative Council. I stood down from the job as President of the Legislative Council and the President of the Legislative Council will tell me in due course when the Legislative Council thinks that meeting should be. It doesn't alter the fact that we believe the Legislative Council should go through to the end of its four-year term. Okay. Thank you very much.

End

Government statement on WCR

\* \* \* \* \*

The Government today (Monday) asked the Kowloon-Canton Railway Corporation (KCRC) to critically review the need at the present stage to proceed with all the technical studies for the Western Corridor Railway (WCR) project and to focus now on those studies which are absolutely essential for establishing a firm alignment for the Railway.

Speaking after a meeting of the KCRC Board this morning, the acting Secretary for Transport, Mr Paul Leung, said the Corporation had been advised that constraints identified in relation to land clearance and resumption matters would make it impracticable to complete the WCR by 2001.

"KCRC have estimated that the project will require the clearance/resumption of some 270 hectares of government land and 130 hectares of private land. According to a preliminary estimate by Lands Department, this exercise will take about five years to complete."

"This suggests that construction is likely to have to begin later than envisaged in KCRC's proposed programme, and that the target completion date will have to be revised accordingly, to beyond 2001."

"Given this development, it may no longer be necessary for KCRC to proceed with their planned technical studies all at the same time. Government has therefore asked KCRC to consider limiting at the present stage the scope of the technical studies to those which are essential for refining the alignment for the WCR so as to minimise the requirements for land resumption and clearance."

Mr Leung said based on the results of these studies, Government and KCRC would be able to work out a more realistic programme including the target completion date and improve the accuracy of the estimated project cost.

He stressed that Government remains committed to taking the WCR project forward.

"The WCR is a priority project for Government as it will provide much needed transport capacity to meet both passenger and freight needs in the territory.

"We are committed to embarking on all necessary preparatory work to enable us to take a firm decision on the project as early as possible.

"We shall proceed with the construction only when there is general consensus on the scope, cost and timing of the project within the community," Mr Leung said.

End

### Food hygiene campaign launched

\* \* \* \* \*

The Department of Health and the Urban and Regional Councils today (Monday) launched a territory-wide campaign on food hygiene for people in the food business.

The campaign, entitled "Know more about food legislation for better food business management", will also include activities designed for primary and secondary school teachers and the general public.

The two-month-long campaign will comprise of 24 seminars. More than 4,000 staff of licensed food premises, cooked food stalls, canteens and other food eating establishments have enrolled to take part in these seminars to be held at various districts.

Assistant Director of Health, Dr Leung Pak-yin, took the opportunity to remind members of the public to observe good personal and environmental hygiene in the prevention of gastro-intestinal infections.

"Precautionary measures against food-borne disease are especially important with the approach of the summer season," he stressed.

Speaking at the opening ceremony of the campaign, the Vice-Chairman of the Urban Council Public Health Select Committee, Mr Wong Kwok-hing, pointed out that every year there were more than a thousand food-borne diseases and food poisoning cases occurred in Hong Kong which, he believed, could be avoided.

He said: "To prevent the occurrence of these cases, we should have a better understanding on the causes and ways of food contamination."

"In addition, precautionary measures should be taken to reduce the chance of contamination during the course of manufacturing."

Noting that major food poisoning outbreak could lead to financial loss of food traders, Mr Wong said the most effective way to build up consumer's confidence was to adopt good personal, environmental and food hygiene.

Also speaking at the ceremony, the Chairman of the Regional Council Ad Hoc Committee on Food Surveillance of the Environmental Hygiene Select Committee, Mr Leung Che-cheung, said there were a number of food-related ordinances in Hong Kong to protect the consumers.

He said: "The ordinances cover a number of aspects of food hygiene but have a common aim of ensuring food safety."

He said the presence of these ordinances could help maintain a fair competition between food traders as the unscrupulous ones would be punished.

Mr Leung said effective law enforcement was crucial in maintaining food safety. However, he stressed that food safety could not be achieved without the co-operation and participation of food traders.

During the campaign, a total of 24 seminars will be organised of which 20 of them are targeted at food traders.

Two separate seminars will be organised in collaboration with the Education Department for primary and secondary school teachers to enable them to relay health messages to their students.

The remaining two will be arranged for members of the public. Enrolment forms can be obtained from the various district offices, public libraries and district environmental health offices of the two municipal departments. Certificates of attendance will be awarded to participants after the conclusion of the campaign.

A 24-hour hotline 2723 0013 operated by the Department of Health will provide taped messages on the adoption of hygiene practices during the campaign period.

Callers can also leave their questions and telephone numbers with the hotline and staff from the Department's Health Education Unit will return call.

Furthermore, mobile broadcasting teams of the unit will be deployed to disseminate food hygiene messages in the territory.

Printed education materials such as leaflets and posters can be obtained free from the Health Education Unit of the Department of Health, eighth floor, Fa Yuen Street Complex, 123A Fa Yuen Street, or the environmental hygiene offices of the Urban Services and Regional Services Departments.

End

### Consumer price indices for May

\* \* \* \* \*

The Census and Statistics Department today (Monday) released the Consumer Price Index (CPI) figures for May 1996 from both the new, 1994/95-based Index (CPI) series as well as the old, 1989/90-based series.

The year-on-year rate of increase in the 1989/90-based CPI(A) was 6.4% in May 1996. This was significantly lower than the 6.9% increase recorded in April.

More moderate increases were also recorded in the Consumer Price Index (B) and the Hang Seng CPI. In May 1996, the CPI(B) and the Hang Seng CPI rose by 7.2% and 7.4% respectively over a year earlier, as compared to the corresponding increases of 7.4% and 7.7% in April.

The Composite CPI, which is compiled based on the combined expenditure pattern of all households, also showed a slower year-on-year rate of increase, by 6.9% in May 1996, against 7.3% in April.

A Government spokesman said that the slower year-on-year rate of increase in the CPI(A) in May than in April was mainly due to lower prices of some fresh food items, including vegetables and live poultry. In addition, a slower year-on-year rate of increase in the charges for miscellaneous consumer services, resulting in part from a reduction in the charges for long distance telephone calls, also contributed. The prices of miscellaneous goods continued to record a year-on-year decline, while the year-on-year rate of increase in transport fares eased further.

Analysed by component, faster year-on-year increases than the overall average in May were recorded for housing (9.8% in the CPI(A), 11.5% in the CPI(B), 12.4% in the Hang Seng CPI and 11.3% in the Composite CPI).

Meanwhile, those components with slower year-on-year increases in prices than the overall average were durable goods (1.3% in the CPI(A), 1.8% in the CPI(B), 2.6% in the Hang Seng CPI and 1.9% in the Composite CPI); meals bought away from home (4.4%, 4.2%, 2.2%, 3.9%); fuel and light (4.7%, 4.7%, 4.6% and 4.7%); alcoholic drinks and tobacco (4.8%, 4.7%, 4.4% and 4.7%); food (excluding meals bought away from home) (6.0%, 5.9%, 5.7%, 5.9%); transport (6.3%, 6.4%, 5.9% and 6.2%); and miscellaneous goods (-2.3%, 0.3%, 1.9%, -0.3%).

Taking the first five months of 1996 together, the increase in the CPI(A) and CPI(B) averaged at 6.5% and 7.2% respectively over a year earlier. The corresponding increases for the Hang Seng CPI and Composite CPI were 7.9% and 7.1% respectively.

For the 12 months ended May 1996, the CPI(A) and CPI(B) were, on average, higher by 7.5% and 8.1% respectively than the preceding 12-month period. The corresponding increases for the Hang Seng CPI and Composite CPI were 8.7% and 8.1% respectively.

The new, 1994/95-based CPI series has been compiled starting from October 1995 and is therefore not long enough for making year-on-year comparison. Nevertheless, they may be used to analyse the short-term month to month price movements. Comparing May 1996 with April 1996, the 1994/95-based CPI(A) decreased marginally, by 0.2%. On the other hand, the CPI(B), Hang Seng CPI and Composite CPI showed small increases, by 0.1%, 0.9% and 0.2% respectively.

The seasonally adjusted monthly rate of increase in the 1994/95-based CPI(A) and CPI(B) averaged 0.7% and 0.6% respectively during the three months ended May 1996. The corresponding increases for the Hang Seng CPI and Composite CPI were both 0.7%.

Further details are shown in Tables 1-2 and Charts 1-4.

More details are given in the "Consumer Price Index Report" for May 1996, which is available at \$37 per copy from the Government Publications Centre, Queensway Government Offices, Low Block, ground floor, 66 Queensway, Hong Kong; or from the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

For local and overseas mailings, contact should be made with the Information Services Department, 28th floor, Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong.

For enquiries about the indices, please telephone the Consumer Price Index Section of the Census and Statistics Department on 2805 6403.

Table 1 Consumer Price Indices and Rates of Increase for May 1996  
(Oct. 89 - Sep. 90 = 100)

Component	CPI(A)		CPI(B)		Hang Seng CPI		Composite CPI	
	Index for May 96	% change over May 95	Index for May 96	% change over May 95	Index for May 96	% change over May 95	Index for May 96	% change over May 95
Food	157.0	+5.1	158.8	+4.9	159.5	+3.4	158.2	+4.7
Meals bought away from home	168.7	+4.4	167.7	+4.2	166.1	+2.2	167.7	+3.9
Food, excluding meals bought away from home	145.3	+6.0	146.5	+5.9	148.3	+5.7	146.2	+5.9
Housing	200.6	+9.8	208.4	+11.5	216.1	+12.4	208.4	+11.3
Fuel and light	141.1	+4.7	140.7	+4.7	139.1	+4.6	140.6	+4.7
Alcoholic drinks and tobacco	207.9	+4.8	196.3	+4.7	190.4	+4.4	201.4	+4.7
Clothing and footwear	166.5	+8.7	170.7	+9.3	185.0	+7.3	174.5	+8.4
Durable goods	118.9	+1.3	119.2	+1.8	126.5	+2.6	121.2	+1.9
Miscellaneous goods	138.1	-2.3	137.3	+0.3	137.9	+1.9	137.7	-0.3
Transport	169.5	+6.3	168.3	+6.4	165.5	+5.9	167.9	+6.2
Miscellaneous services	188.6	+9.1	180.2	+8.4	164.4	+6.5	178.0	+8.1
All items	168.2	+6.4	171.4	+7.2	176.3	+7.4	171.5	+6.9

Monthly consumer price indices are compiled on the basis of (a) expenditure patterns of relevant households and (b) prices collected currently in the month. The expenditure patterns underlying the 1989/90-based consumer price indices are based on those patterns derived from the 1989/90 Household Expenditure Survey. The CPI(A) is based on the expenditure pattern of about 50% of households in Hong Kong, which had an average monthly expenditure of \$2,500-\$9,999 in 1989/90 (equivalent to \$4,000-\$15,999 in 1994/95). The CPI(B) is based on the expenditure pattern of the next 30% of households, which had an average monthly expenditure of \$10,000-\$17,499 in 1989/90 (equivalent to \$16,000-\$29,999 in 1994/95). The Hang Seng CPI is based on the expenditure pattern of the next 10% of households, which had an average monthly expenditure of \$17,500-\$37,499 in 1989/90 (equivalent to \$30,000-\$59,999 in 1994/95).

Whereas the CPI(A), CPI(B) and Hang Seng CPI are based on the expenditure patterns of groups of households with different magnitudes of household expenditure, the Composite CPI is compiled based on the expenditure pattern of all these households taken together. Thus, while the CPI(A), CPI(B) and Hang Seng CPI show the impact of consumer price changes on different groups of households, the Composite CPI shows the impact of consumer price changes on the household sector generally.

Table 2 Consumer Price Indices and Year-on-year Rates of Change for  
 May 1993 - May 1996  
 (Oct. 89 - Sep. 90 = 100)

<u>Year/month</u>		<u>CPI(A)</u>		<u>CPI(B)</u>		<u>Hang Seng CPI</u>		<u>Composite CPI</u>		
		<u>Index</u>	<u>Year-on -year rate of change (%)</u>	<u>Index</u>	<u>Year-on -year rate of change (%)</u>	<u>Index</u>	<u>Year-on -year rate of change (%)</u>	<u>Index</u>	<u>Year-on -year rate of change (%)</u>	
1993	May	134.5	8.5	134.8	8.8	136.3	9.8	135.1	8.9	
	June	136.0	8.6	135.9	8.7	137.1	9.5	136.3	8.8	
	July	135.8	8.2	136.1	8.5	136.9	9.2	136.2	8.6	
	August	136.3	8.5	136.6	8.5	137.4	9.2	136.7	8.7	
	September	138.4	7.9	138.3	8.1	139.2	9.2	138.6	8.3	
	October	140.0	9.0	139.6	8.7	140.7	9.4	140.0	9.0	
	November	139.4	8.4	139.9	8.4	142.2	9.5	140.3	8.7	
	December	140.4	8.6	140.9	8.5	143.3	10.2	141.3	9.0	
	1994	January	140.0	6.2	140.7	6.9	143.4	9.0	141.1	7.2
		February	142.7	7.8	142.9	8.1	144.9	9.8	143.3	8.4
		March	142.5	8.0	143.0	8.2	145.3	9.2	143.4	8.4
		April	143.8	7.7	144.8	8.2	147.9	9.9	145.2	8.4
May		145.0	7.8	146.1	8.4	150.0	10.0	146.7	8.6	
June		146.2	7.5	146.9	8.1	151.0	10.1	147.7	8.4	
July		147.3	8.5	147.9	8.6	150.5	9.9	148.3	8.9	
August		149.6	9.8	149.6	9.5	151.7	10.4	150.1	9.8	
September		150.3	8.6	150.8	9.0	153.4	10.2	151.3	9.2	
October		151.1	7.9	152.2	9.0	155.3	10.5	152.6	9.0	
November		151.4	8.6	153.1	9.5	157.3	10.6	153.5	9.5	
December		153.0	8.9	154.3	9.5	158.1	10.3	154.8	9.5	
1995	January	154.1	10.1	155.3	10.4	158.2	10.3	155.6	10.3	
	February	155.4	8.9	156.6	9.6	159.0	9.7	156.7	9.4	
	March	156.1	9.5	157.4	10.0	159.7	9.9	157.5	9.8	
	April	157.6	9.6	159.2	9.9	162.3	9.8	159.4	9.8	
	May	158.1	9.1	159.9	9.5	164.2	9.5	160.4	9.3	
	June	159.2	8.9	161.1	9.6	165.6	9.7	161.6	9.4	
	July	159.8	8.5	161.5	9.2	165.7	10.1	161.9	9.2	
	August	162.0	8.3	163.1	9.0	166.6	9.8	163.6	9.0	
	September	163.7	8.9	164.5	9.1	168.5	9.8	165.2	9.2	
	October	163.8	8.4	165.6	8.8	170.0	9.4	166.1	8.8	
	November	163.8	8.2	165.8	8.3	171.2	8.9	166.5	8.4	
	December	163.1	6.6	165.5	7.3	170.6	7.9	165.9	7.2	
1996	January	163.2	5.9	166.0	6.8	170.7	7.9	166.2	6.8	
	February	165.6	6.6	168.0	7.3	171.9	8.2	168.1	7.3	
	March	166.5	6.7	168.8	7.3	172.8	8.2	169.0	7.3	
	April	168.5	6.9	171.1	7.4	174.8	7.7	171.1	7.3	
	May	168.2	6.4	171.4	7.2	176.3	7.4	171.5	6.9	

Chart 1 Year-on-year Rates of Increase  
in CPI(A)

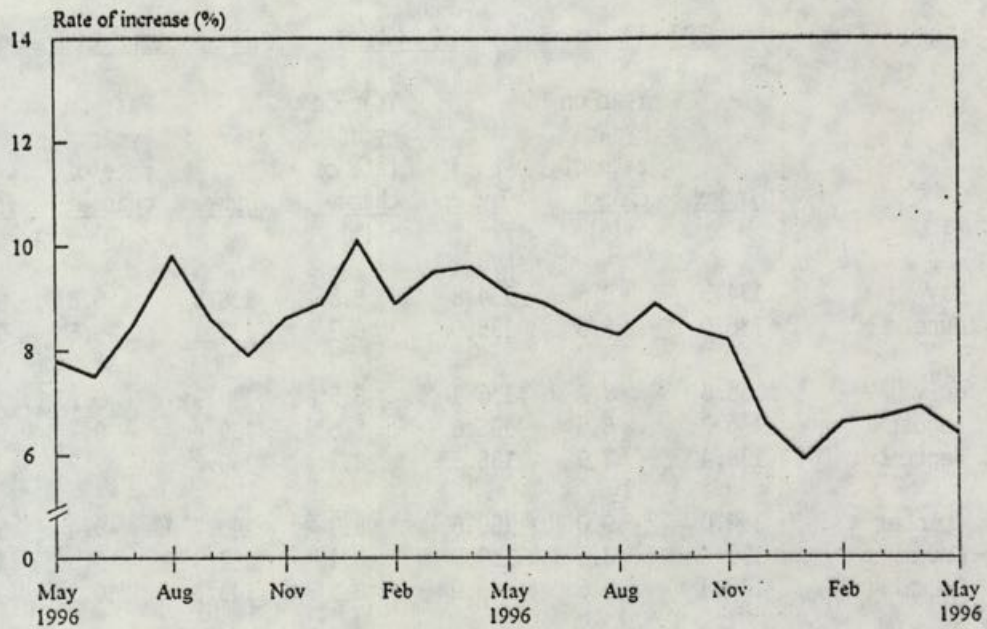


Chart 2 Year-on-year Rates of Increase  
in CPI(B)

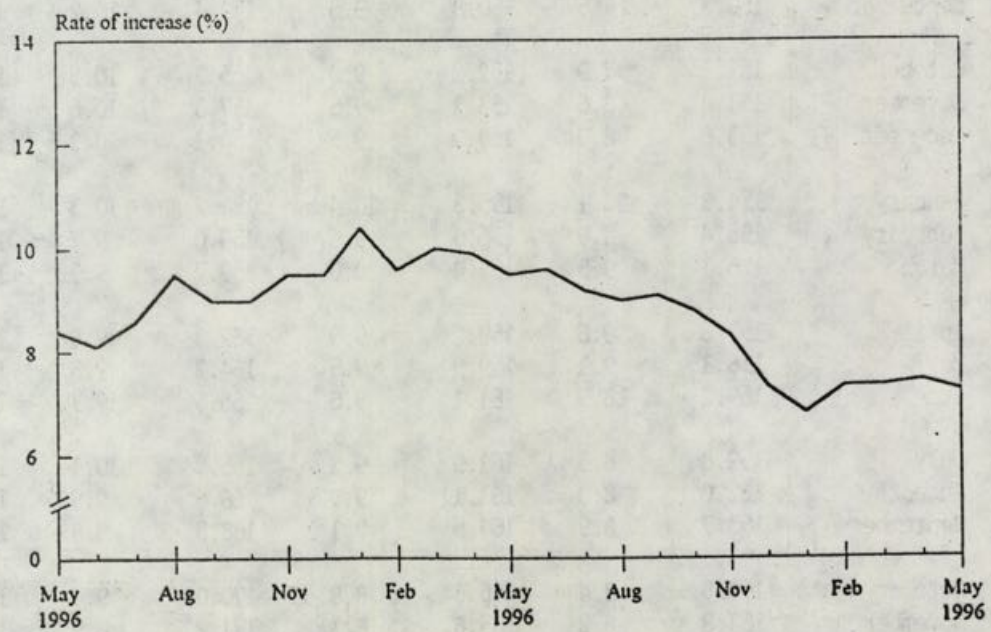


Chart 3 Year-on-year Rates of Increase  
in Hang Seng CPI

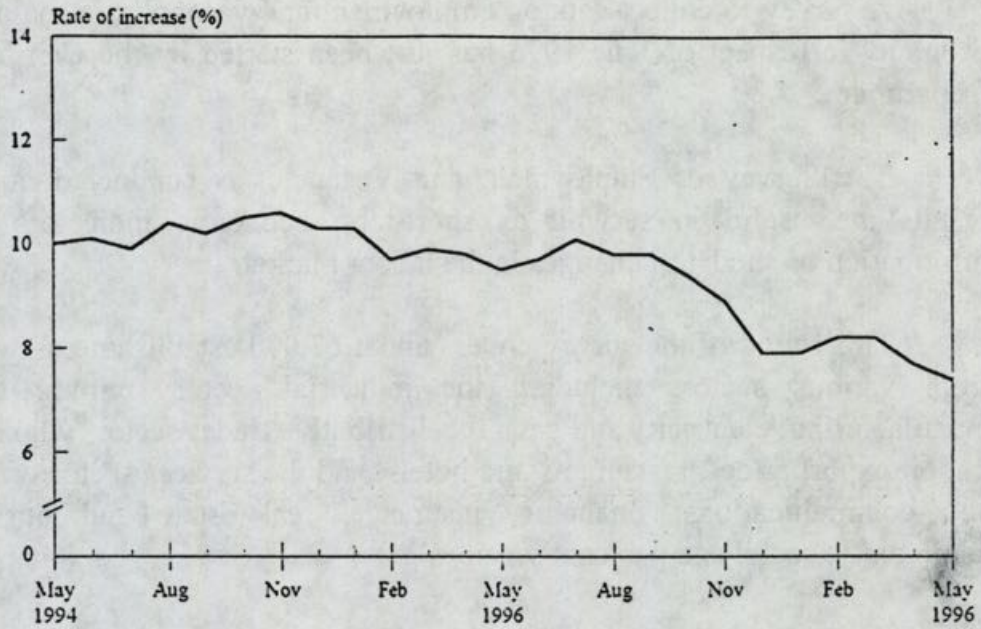
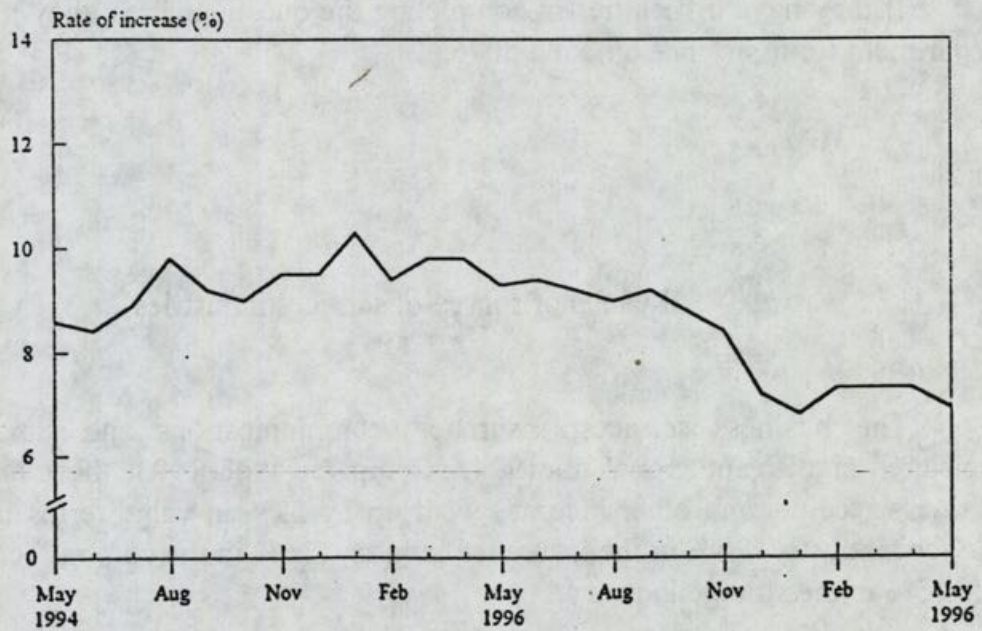


Chart 4 Year-on-year Rates of Increase  
in Composite CPI



End

Employment and vacancies quarterly survey has started

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A survey to collect data on employment and vacancies in major sectors of the economy in respect of June 1996 has just been started by the Census and Statistics Department.

The Survey of Employment and Vacancies is conducted quarterly and the results are useful in serving as short-term economic indicators and providing information on the latest changes in the labour market.

This round of the survey covers about 67,000 establishments which are drawn from various sectors including the industrial sector (mining and quarrying; manufacturing; electricity and gas), the distributive trades sector (wholesale, retail and import/export trades, restaurants and hotels) and the services sector (transport, storage and communications; financing, insurance, real estate and business services; community, social and personal services).

Information on number of persons engaged and vacancies as at June 28 will be sought from each sampled establishment and questionnaires are being mailed to them.

In accordance with the Census and Statistics (Quarterly Survey of Employment and Vacancies) Order, these establishments are required to complete and return the questionnaires to the Census and Statistics Department within the specified period.

If they have difficulties in completing the questionnaires, they may contact the department for assistance on 2582 5076.

End

Results of survey of services industries

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The business services, insurance, communications and storage industries registered significant growth in 1994. Compared with 1993, the total receipts (i.e. business receipts and other income) went up by 23% in value terms in the business services industry, 20% in the insurance industry, 16% in the communications industry and 15% in the storage industry.

The financing (except banking) industry also recorded an increase of 11% in the total receipts over 1993.

These are some of the major findings of the 1994 Survey of Storage, Communication, Financing, Insurance and Business Services, released today (Monday) by the Census and Statistics Department. The survey was conducted from May 1995 to early 1996.

All value figures in this press release are expressed in current price terms. Percentage changes derived from these figures have not been adjusted for price changes. Caution should therefore be taken in interpreting the survey results.

In 1994, there were some 21,800 establishments operating in the business services industry, an increase of 29% over 1993. The industry includes legal, accounting, auditing, data processing, advertising and marketing firms and companies providing miscellaneous business services such as business management and consultancy, employment, secretarial, technical and machinery/equipment rental services.

The total receipts generated by these establishments amounted to \$65 billion, an increase of 23% over 1993.

The gross surplus of the industry accounted for 18.1% of the total receipts, a decrease of 2.5 percentage points from 1993.

On the other hand, the total operating expenditure -- comprising compensation of employees, operating expenses and value of purchases of goods for sale -- of the industry amounted to 81.9% of the total receipts. This was 2.5 percentage points higher than the figure for 1993.

The total value added of the business services industry, a measure of the industry's contribution to Hong Kong's Gross Domestic Product, grew by 20% from \$24.8 billion in 1993 to \$29.7 billion in 1994. It constituted 45.6% of the total receipts and was 1.2 percentage points lower than the figure for 1993.

In the insurance industry, which includes general insurers, life insurers and insurance agents, there were 2,500 establishments in operation in 1994, an increase of 6% over 1993.

The insurance industry generated \$41 billion of total receipts in 1994, an increase of 20% over 1993.

The total operating expenditure of the industry accounted for 23.3% of the total receipts, registering an increase of 0.4 percentage point when compared with 1993.

In the communications industry, there were some 620 establishments in operation in 1994, an increase of 10% over 1993. These include telephone, telegraph, courier and radio-paging companies.

The total receipts generated by these establishments amounted to \$40 billion, which was 16% higher than 1993.

The gross surplus of the industry accounted for 35.9% of the total receipts, a decrease of 1.2 percentage points from the figure for 1993.

The total operating expenditure of the industry amounted to 64.1% of the total receipts. This was 1.2 percentage points above the figure for 1993.

The total value added of these establishments was \$20.4 billion in 1994, representing an increase of 13% over 1993. It accounted for 51.7% of the total receipts, a decrease of 1.2 percentage points from 1993.

In the storage industry, there were 320 establishments in operation in 1994, an increase of 28% over 1993. The total receipts generated by these establishments amounted to \$4 billion, an increase of 15% over 1993.

On the other hand, the industry's gross surplus accounted for 9.5% of the total receipts in 1994, a drop of 2.6 percentage points from the figure for 1993.

The total operating expenditure of the industry accounted for 90.5% of the total receipts. Compared with 1993, this was higher by 2.6 percentage points.

The total value added of the storage industry increased by 1% to \$1.3 billion in 1994. It accounted for 28.9% of the total receipts, and was 4.0 percentage points lower than the figure for 1993.

In the financing (except banking) industry, there were some 4 900 establishments in operation in 1994, an increase of 19% over 1993. The industry comprises loan and mortgage companies, credit institutions, finance leasing companies, pawnshops, investment and holding companies, securities, futures and gold bullion brokers and dealers, money changers and foreign exchange brokers and dealers.

The survey did not include banking institutions and deposit-taking companies which were separately covered under the 1994 Survey of Banks, Deposit-taking Companies, Restricted Licence Banks and Representative Offices of Foreign Banks. The results of the latter survey will, however, be included also in the report on the former survey.

The financing (except banking) industry generated \$106 billion of total receipts, an increase of 11% over 1993.

The gross surplus of the industry accounted for 54.8% of the total receipts. This was 7.2 percentage points lower than the corresponding figure for 1993.

On the other hand, the total operating expenditure of the industry accounted for 45.2% of the total receipts, an increase of 7.2 percentage points from the figure for 1993.

The total value added of the financing (except banking) industry, increased by 2% to \$12.7 billion in 1994. It accounted for 12.0% of the total receipts in 1994, which was 1.2 percentage points lower than the figure for 1993. It should, however, be noted that the total value added calculated for the industry did not include that for investment and holding companies owing to the special features of their business operations.

More detailed results together with the background and methodology of the survey will be given in a full survey report to be published in around August 1996. The report will be on sale in August at the Government Publications Centre of the Information Services Department, Queensway Government Offices, Low Block, ground floor, 66 Queensway, Hong Kong; and the Publications Unit of the Census and Statistics Department, 19th floor, Wanchai Tower, 12 Harbour Road, Wan Chai, Hong Kong.

Enquiries regarding the survey results may be directed to the Business Services Statistics Section of the Census and Statistics Department on 2802 1244.

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**Comparison of selected principal statistics for all establishments in the Storage,  
Communications, Financing (except banking), Insurance and Business Services Industries between 1993 and 1994**

Industry		Number of establishments	Number of persons engaged	Number of employees	Compensation	Operating	Value of	Business	Value added	Gross surplus
					of employees	expenses	purchases of goods for sale	receipts and other income		
					\$Mn.	\$Mn.	\$Mn.	\$Mn.	\$Mn.	\$Mn.
Storage	1994	319	5 517	5 457	782.5	3,217.5	-	4,419.1	1,278.9	419.0
	1993	249	5 391	5 389	700.0	2,686.3	-	3,852.6	1,267.7	466.3
	% change	+28	+2	+1	+12	+20	-	+15	+1	-10
Communications	1994	623	34 955	34 605	6,418.8	16,474.2	2,444.2	39,506.0	20,439.4	14,168.8
	1993	567	33 708	33 266	5,548.0	14,212.3	1,699.4	34,116.4	18,058.1	12,656.7
	% change	+10	+4	+4	+16	+16	+44	+16	+13	+12
Financing (except banking)	1994	4 913	47 073	45 967	14,721.5	33,052.2	-	105,712.0	12,726.6	57,938.3
	1993	4 135	40 876	39 261	11,732.6	24,509.6	-	95,281.4	12,535.5	59,039.1
	% change	+19	+15	+17	+25	+35	-	+11	+2	-2
Business Services	1994	21 832	126 368	113 553	18,682.3	33,693.1	1,042.5	65,190.3	29,717.3	11,772.4
	1993	16 928	111 489	100 178	14,939.4	25,504.4	1,584.2	52,963.4	24,764.0	10,935.5
	% change	+29	+13	+13	+25	+32	-34	+23	+20	+8
Insurance	1994	2 454	29 179	27 731	6,233.5	3,442.0	-	41,468.3	-	-
	1993	2 306	25 120	23 917	5,073.1	2,830.2	-	34,503.7	-	-
	% change	+6	+16	+16	+23	+22	-	+20	-	-

Notes: (1) In the financing (except banking) industry, value added was not compiled for investment and holding companies owing to the special features of their business operations. Hence, total value added calculated for the industry did not include that of investment and holding companies.

(2) In the insurance industry, both value added and gross surplus were not compiled.

(3) Figures denoting changes are derived from unrounded figures.

(4) Value added is a measure of the contribution of an economic sector/industry to Hong Kong's Gross Domestic Product. The definition can be found in the "Report on 1994 Survey of Storage, Communication, Financing, Insurance and Business Services".

### HK to take part in International Youth Exchange Programme

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Two groups of local young people aged between 18 and 24 will take part in the International Youth Exchange Programme 1996 which will take place in Britain and Germany this month and in July.

Introducing at a press conference today (Monday) the young delegates who will represent Hong Kong, the Chairman of the Commission on Youth, Mr Eric Li, noted the aim of the International Youth Exchange Programme was to broaden the outlook of young people of Hong Kong and to enable them to exchange ideas and experiences with their counterparts of other countries.

"The Programme started in 1979 with exchanges between young people of Hong Kong and Britain. As in the past years, the Programme will include a three-week visit by a delegation comprising six young people to Britain, from June 29 to July 20 this year," he said.

"In addition, to provide more opportunities for our young people to gain more international exposure, the Programme has been extended to cover a visit by another delegation consisting of ten young people to Germany from July 13 to 31."

The itinerary in Britain will include visits to youth organisations, schools and universities, discussion on social issues and participation in recreational activities. It is hoped that the participants will acquire a better understanding of the British society through the tour which highlights education, housing and youth service in the country.

In Germany, individual home-stays with local families will be arranged to enable the participants to gain more insight into German culture and way of life. The tour will also focus on the political, economic and social aspects of the society. It will include a two-day trip to the Royal Highness' castle in Denmark and a former World War II concentration camp.

The 16 young delegates were chosen from over a hundred nominees from various youth organisations and government departments. Training has been provided to them so that they will introduce to their counterparts overseas different aspects of Chinese culture and Hong Kong society. They will have to prepare a report on their return to Hong Kong.

Mr Li added: "As the Exchange Programme is organised on a bilateral **and** reciprocal basis, young people from Britain and Germany will pay a visit to **Hong Kong** next year, which is tentatively fixed in July 1997."

He noted: "It is hoped that the trilateral exchange next year will enable young people from three different territories to share ideas and experiences. It is also a good chance to introduce the Special Administrative Region to our friends abroad when Hong Kong returns to China in 1997."

End

#### Schools to take over salary assessment

\* \* \* \* \*

The Board of Education (BOE) was today (Monday) informed that schools would take over from the Education Department the assessment of teacher salaries with effect from August 1996.

At the BOE meeting this morning, the acting Assistant Director of Education, Mr Tse Kum-shing, said the Education Department understands the worries of schools due to their lack of experience in assessing teacher salaries.

"A series of 47 workshops have been held for over 1,440 participants from ordinary aided schools since the last school year to help and guide schools to conduct salary assessments.

"A similar workshop was also organised for special schools and attended by about 140 participants," Mr Tse said.

Replying to questions by BOE members, Mr Tse said that feedback from the participants was encouraging. Over 85 per cent described the workshops as "good" or "very good"; over 92 per cent considered both the briefing session and the case study session "useful" or "very useful".

Mr Tse said the participants considered that the workshops had given them some general knowledge of the subject and a grasp of the basic technical skills of salary assessment.

He said: "The majority of the 400 odd schools (primary and secondary) which have appointed new teaching staff after the workshops, have taken the initiative to assess salaries using the proforma provided in the Guide."

"They have achieved a high degree of accuracy and proved themselves competent in taking up salary assessment," Mr Tse added.

Mr Tse also informed BOE members that the Education Department would continue to conduct workshops and to provide guidance and support to schools.

Earlier, Mr Tse said the Education Department considers it inappropriate in principle and unreasonable in practice for District Education Officers/Inspectors (Special Schools Administration) to carry out salary assessment on behalf of schools.

"Schools, as employers, should be responsible for salary assessment for their staff members. With proper guidance and support, schools should be able to take up the duties of salary assessment for their staff."

He added that District Education Officers/Inspectors (Special Schools Administration) should concentrate on enhancing the quality of their output, either in respect of administration or in the implementation of various new measures targeted at a better educational service.

End

Deputy trade chief to attend maritime transport negotiations

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The Deputy Director-General of Trade, Mr Tam Wing-pong, will leave for Geneva this (Monday) evening to attend the final round of the negotiations on maritime transport services conducted under the auspices of the World Trade Organisation (WTO).

Mr Tam will join 42 WTO members in the negotiations, with the aim of liberalising trade in international shipping, auxiliary services and access to and use of port facilities. The final round is scheduled to conclude by the end of June.

The talks on maritime transport services is the last of the four extended tracks of service negotiations required by the Uruguay Round.

The other three service sectors are basic telecommunications, financial services and movement of natural persons. Negotiations on these three sectors were concluded with interim agreements reached.

After the maritime transport service negotiations, Mr Tam will join the Hong Kong delegation in attending the Informal Ministerial Meeting at Lausanne on July 1 and 2 before returning to Hong Kong.

End

#### Insurance agent jailed for tax evasion

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A 39-year-old insurance agent who was found guilty of eight counts of tax evasion charges on May 27 was today (Monday) sentenced by the Wanchai District Court to three months' imprisonment.

In addition, he was ordered to pay a fine of \$10,000 on each charge and a further fine of \$840,000 which is equivalent to three times of the total tax evaded.

The defendant was allowed six months to pay the fine, failing which, he would be subject to a further imprisonment of six months.

The defendant, Paul Ng Wing-keung, is a Senior Agency Manager of National Mutual Company Limited and the proprietor of Paul Ng & Co.

He was charged with making fraudulent claims for tax deductible expenses for the four tax years from 1988/89 to 1991/92, contrary to Section 82(1)(c) and Section 82(1)(g) of the Inland Revenue Ordinance (Chapter 112). The false deduction claims amounted to \$1,887,840 and the profits tax evaded was \$284,391.

Delivering his judgement, Judge Sweeney commented that tax evasion is a serious offence, affecting community as a whole and should be liable to immediate imprisonment.

After taking into account the clear record and special circumstances containing in the Probation Officer's Report and mitigation made by the defence counsel, he sentenced the defendant to three months' imprisonment on each charge, to run concurrently.

Under the Inland Revenue Ordinance, a tax evader is liable to a maximum sentence of three years' imprisonment and a fine of \$50,000 on each charge, in addition to a further fine equivalent to three times the amount of tax undercharged.

End

Water storage figure

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Storage in Hong Kong's reservoirs at 9 am today (Monday) stood at 90.9 per cent of capacity or 530.641 million cubic metres.

This time last year the reservoirs contained 395.234 million cubic metres of water, representing 67.4 per cent of capacity.

End

Hong Kong Monetary Authority money market operations

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	<u>\$ million</u>	<u>Time (hours)</u>	<u>Cumulative change (\$million)</u>
Opening balance in the account	1,714	0930	+244
Closing balance in the account	2,089	1000	+244
Change attributable to :		1100	+244
Money market activity	+205	1200	+246
LAF today	+170	1500	+246
		1600	+205

LAF rate 4.00% bid/6.00% offer TWI 124.5 \*+0.0\* 24.6.96

Hong Kong Monetary Authority

EF bills		EF notes				
Terms	Yield	Term	Issue	Coupon	Price	Yield
1 week	4.91	2 years	2805	6.30	100.00	6.39
1 month	5.01	3 years	3904	6.30	99.01	6.80
3 months	5.20	5 years	5106	7.23	99.58	7.47
6 months	5.42	7 years	7305	7.60	99.73	7.80
12 months	5.81	5 years	M502	7.30	99.34	7.62

Total turnover of EF bills and notes - \$10,243 million

Closed June 24, 1996

End