



# DAILY INFORMATION BULLETIN

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HK PLANNING CONFIDENTLY FOR THE FUTURE: FS

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THE HIGHER LEVEL OF ACTIVITY AND SOPHISTICATION ATTAINED BY HONG KONG'S EQUITY AND DEBT MARKETS IN RECENT YEARS HAS PLACED THEM IN AN EXCELLENT POSITION TO SERVE THE FINANCING NEEDS OF OTHER ECONOMIES IN THE REGION.

THE FINANCIAL SECRETARY, MR HAMISH MACLEOD, SAID THIS TODAY (MONDAY) AT THE OPENING CEREMONY OF THE FOURTH ANNUAL PACIFIC-BASIN CAPITAL MARKETS FINANCE CONFERENCE.

HE TOLD PARTICIPANTS HOW HONG KONG HAD BEEN POSITIONING ITSELF IN THE FAST DEVELOPING GLOBAL FINANCIAL MARKET, COVERING THE INITIATIVES TAKEN IN THE PAST FEW YEARS TO ENHANCE THE OPERATIONS AND REPUTATION OF ITS MARKETS, AND THE VERY CLOSE ECONOMIC LINKS BETWEEN HONG KONG AND CHINA.

HE SAID THE CHINA DIMENSION WAS FEATURING PROMINENTLY AS AN IMPORTANT IMPETUS TO THE FURTHER EXPANSION OF HONG KONG'S FINANCIAL MARKETS BECAUSE OF THE INCREASINGLY CLOSE ECONOMIC RELATIONSHIP BETWEEN THE TWO PLACES.

HONG KONG AND CHINA ARE NOW EACH OTHER'S LARGEST TRADING PARTNER; AND THAT ABOUT 60 PER CENT OF CHINA'S EXTERNAL INVESTMENT COMES FROM OR THROUGH HONG KONG, HE SAID.

"IN THE OTHER DIRECTION, CHINA'S INVESTMENTS IN HONG KONG ARE ESTIMATED AT ABOUT US\$10 BILLION.

"WITH A WELL-DEVELOPED FINANCIAL SECTOR, HONG KONG NATURALLY SERVES ALSO AS A FUNDING CENTRE FOR CHINA. SOME ESTIMATES SUGGEST THAT AS MUCH AS 90 PER CENT OF CHINA'S EXTERNAL BORROWING LAST YEAR WAS ARRANGED IN HONG KONG.

"MOST BORROWINGS WERE IN THE FORM OF SYNDICATED LOANS. HOWEVER, ON A NUMBER OF OCCASIONS CHINESE ENTERPRISES OR CHINA-INTEREST FIRMS HAVE TAPPED THE DEBT MARKET WITH ISSUES OF COMMERCIAL PAPER OR OTHER DEBT INSTRUMENTS. THEY HAVE ALSO STEPPED UP ACTIVITY IN OUR STOCK MARKET," HE SAID.

MR MACLEOD SAID FOR SOME YEARS, SOME CHINESE-RELATED COMPANIES HAD BEEN ARRANGING LISTING HERE THROUGH THE ACQUISITION OF SHELL COMPANIES.

"MORE RECENTLY, A NUMBER OF LOCAL COMPANIES HAVE BEEN RAISING FUNDS IN THE STOCK MARKET TO FINANCE THEIR EXPANSION IN CHINA.

"VERY SIGNIFICANT SUMS, BOTH FROM HONG KONG AND OVERSEAS, HAVE BEEN INVESTED IN SUCH SO-CALLED 'CHINA-CONCEPT' STOCKS TO BENEFIT FROM THE BURGEONING ECONOMY OF SOUTHERN CHINA.

"LIKewise, ISSUES OF CHINA'S B SHARES AVAILABLE FOR FOREIGN INVESTORS AND NOW LISTED ON THE STOCK EXCHANGES OF SHENZHEN AND SHANGHAI HAVE ATTRACTED MUCH INVESTOR INTEREST.

"A NUMBER OF FINANCIAL INSTITUTIONS IN HONG KONG ARE ENGAGED ACTIVELY IN THE UNDERWRITING AND PLACEMENT OF THESE STOCKS AND ALSO PARTICIPATE IN THE CLEARING AND SETTLEMENT SYSTEM," HE SAID, ADDING THAT THE SECURITIES AND FUTURES COMMISSION HAD SINCE APRIL THIS YEAR APPROVED NO FEWER THAN FIVE CHINA FUNDS UNDER THE PRESENT CODE ON UNIT TRUSTS AND MUTUAL FUNDS.

ON THE QUESTION OF LISTING OF CHINA'S B SHARES IN HONG KONG, MR MACLEOD SAID IT WAS CURRENTLY UNDER CONSIDERATION, BUT IT MAY TAKE SOME TIME TO RESOLVE THE VARIOUS ISSUES WHICH NEEDED TO BE ADDRESSED.

"MEANWHILE, THE STOCK EXCHANGE OF HONG KONG HAS FORMED A CHINA STUDY GROUP TO RESEARCH INTO THE ROLE OF THE EXCHANGE IN FOSTERING GREATER CAPITAL FORMATION IN BOTH THE HONG KONG AND CHINA MARKETS.

"THERE IS NO DOUBT THAT FUND RAISING BY CHINESE ENTERPRISES WILL ADD A SIGNIFICANT DIMENSION TO THE GROWTH OF OUR MARKETS OVER THE COMING YEARS," HE SAID.

EMPHASISING THAT THE JOINT DECLARATION SIGNED BY BRITAIN AND CHINA IN 1984 CLEARLY PROVIDED THAT HONG KONG WOULD RETAIN THE STATUS OF AN INTERNATIONAL FINANCIAL CENTRE BEYOND 1997, MR MACLEOD TOLD CONFERENCE PARTICIPANTS THAT ALL ELEMENTS OF THE PRESENT FINANCIAL SYSTEM, AND CAPITALIST AND FREE MARKET WAY OF LIFE WOULD REMAIN IN PLACE.

"NOW, AS WE PREPARE FOR THE TRANSFER OF SOVEREIGNTY TO CHINA IN FIVE YEARS' TIME, WE ARE PLANNING CONFIDENTLY FOR THE FUTURE," HE SAID, MENTIONING IN PARTICULAR THE AIRPORT CORE PROGRAMME.

"THE CENTRE-PIECE OF THIS PROGRAMME IS, OF COURSE, A NEW AIRPORT. IT ALSO INCLUDES AN AIRPORT RAILWAY, WHICH WILL FORM PART OF THE SYSTEM OF OUR HIGHLY SUCCESSFUL MASS TRANSIT RAILWAY CORPORATION - A SIGNIFICANT INTERNATIONAL BORROWER OF FUNDS WHOSE HIGH CREDIT RATING IS WELL KNOWN," HE SAID.

TALKS ARE PROCEEDING WITH CHINA ON THE FINANCIAL PLANS OF THE AIRPORT AUTHORITY AND THE MASS TRANSIT RAILWAY CORPORATION BECAUSE THESE INVOLVED COMMITMENTS THAT CONTINUE AFTER 1997, MR MACLEOD SAID.

"WHILST THESE TALKS HAVE BEEN GOING ON, WE HAVE BEEN MAKING GOOD PROGRESS ON THE PHYSICAL FRONT," HE ADDED.

MR MACLEOD SAID THE PRIVATE SECTOR WAS PLAYING A SIGNIFICANT ROLE IN THE PROJECTS AND WOULD ACCOUNT FOR JUST OVER 50 PER CENT OF THE FINANCING -- THROUGH COMMERCIAL LENDING TO THE AIRPORT AUTHORITY AND MASS TRANSIT RAILWAY CORPORATION, PLUS INVESTMENTS IN FRANCHISES RANGING FROM FACILITIES AT THE AIRPORT TO A NEW ROAD TUNNEL UNDER THE HARBOUR KNOWN AS THE WESTERN HARBOUR CROSSING.

"THE MASS TRANSIT RAILWAY CORPORATION AND THE AIRPORT AUTHORITY WILL, IN DUE COURSE, BE APPROACHING THE MARKET WITH FINANCING PROPOSALS.

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"I HOPE I HAVE TOLD YOU ENOUGH FOR YOU TO REALISE THAT THESE PROJECTS FORM PART OF A VIABLE AND STIMULATING INFRASTRUCTURE PROGRAMME WHICH WILL HELP HONG KONG CONTINUE ITS DYNAMIC GROWTH THROUGH 1997 AND INTO THE NEXT CENTURY.

"THAT DEMONSTRATES OUR CONFIDENCE. AS A RESULT HONG KONG WILL BECOME AN EVEN MORE ATTRACTIVE PLACE FOR INTERNATIONAL INVESTMENT AND FOR ALL OF YOU TO DO BUSINESS IN," MR MACLEOD SAID.

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OFFICE OF BANKING COMMISSIONER  
ENDORSES BASLE COMMITTEE'S RECOMMENDATIONS

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THE OFFICE OF THE COMMISSIONER OF BANKING (OCB) FULLY ENDORSES THE MINIMUM STANDARDS FOR THE SUPERVISION OF INTERNATIONAL BANKING GROUPS AND THEIR CROSS-BORDER ESTABLISHMENTS RECOMMENDED BY THE BASLE COMMITTEE ON BANKING SUPERVISION.

THE COMMITTEE ISSUED AT 5.30 PM ON JULY 6 (BRITISH SUMMER TIME) MINIMUM STANDARDS THAT ITS MEMBERS HAVE AGREED TO APPLY IN THE SUPERVISION OF INTERNATIONAL BANKING GROUPS AND THEIR CROSS-BORDER ESTABLISHMENTS.

"HONG KONG'S AUTHORISATION AND SUPERVISORY REGIMES ARE ALREADY LARGELY IN CONFORMITY WITH THESE STANDARDS. NEVERTHELESS, OCB IS REVIEWING WHETHER THERE IS SCOPE FURTHER TO STRENGTHEN THE RELEVANT REGULATORY AND STATUTORY REQUIREMENTS IN HONG KONG IN THE LIGHT OF THE NEW STANDARDS," A SPOKESMAN FOR THE OFFICE SAID.

THE MINIMUM STANDARDS ARE DESIGNED TO REINFORCE THE BASLE CONCORDAT AND WITH THE SPECIFIC AIM OF PROVIDING GREATER ASSURANCES THAT IN THE FUTURE NO INTERNATIONAL BANK CAN OPERATE WITHOUT BEING SUBJECT TO EFFECTIVE CONSOLIDATED SUPERVISION.

THEY HAVE BEEN PREPARED IN RESPONSE TO THE CONTINUED RAPID GROWTH OF INTERNATIONAL BANKING ACTIVITIES AND THE SUPERVISORY ISSUES ARISING FROM THE BANK OF CREDIT AND COMMERCE INTERNATIONAL INCIDENT.

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LABOUR ADVISORY BOARD SUPPORTS BETTER EMPLOYEE WELFARE

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THE LABOUR ADVISORY BOARD TODAY (MONDAY) ENDORSED A NUMBER OF PROPOSALS AIMED AT IMPROVING EMPLOYEES' WELFARE.

A MAJOR PROPOSAL IS TO REMOVE THE MAXIMUM LEVELS ON COMPENSATION FOR PERMANENT INCAPACITY AND DEATH UNDER THE EMPLOYEES' COMPENSATION ORDINANCE (ECO).

UNDER THE PROPOSAL, COMPENSATION FOR PERMANENT INCAPACITY WILL BE COMPUTED BY MULTIPLYING THE INJURED EMPLOYEE'S MONTHLY EARNINGS, WHICH WILL BE SUBJECT TO A MAXIMUM OF \$15,000, BY THE PRESCRIBED NUMBER OF MONTHS FOR HIS AGE GROUP AND BY THE PERCENTAGE OF PERMANENT INCAPACITY.

COMPENSATION FOR DEATH WILL BE CALCULATED BY MULTIPLYING THE DECEASED EMPLOYEE'S MONTHLY EARNINGS, ALSO SUBJECT TO A MAXIMUM OF \$15,000, BY THE PRESCRIBED NUMBER OF MONTHS FOR HIS AGE GROUP.

THE MAXIMUM MONTHLY EARNINGS OF \$15,000 TO BE ADOPTED IS IN LINE WITH THE WAGE CEILING USED FOR CALCULATING SEVERANCE AND LONG SERVICE PAYMENTS UNDER THE EMPLOYMENT ORDINANCE, AND BOTH WILL BE REVIEWED CONCURRENTLY IN FUTURE TO KEEP PACE WITH WAGE MOVEMENT.

BOARD MEMBERS WERE INFORMED THAT OF THE 85,097 EMPLOYEES INJURED LAST YEAR, 81,559, OR 95.84 PER CENT, WERE EARNING \$15,000 OR LESS PER MONTH AND THAT THE PROPOSAL WILL ENABLE THE GREAT MAJORITY OF INJURED EMPLOYEES TO RECEIVE FULL COMPENSATION.

AS REGARDS EMPLOYEES EARNING MORE THAN \$15,000 A MONTH, THEIR COMPENSATION WILL ALSO INCREASE AS A RESULT OF THE REMOVAL OF THE MAXIMUM LEVELS.

THE BOARD ALSO SUPPORTED A PROPOSAL TO IMPROVE THE COVERAGE OF THE PROTECTION OF WAGES ON INSOLVENCY FUND SO THAT EMPLOYEES WILL RECEIVE HIGHER EX-GRATIA PAYMENT SHOULD THEIR EMPLOYERS BECOME INSOLVENT.

THE PROPOSAL SEEKS TO RAISE THE MAXIMUM LIMIT ON EX-GRATIA PAYMENT OF ARREARS OF WAGES FROM THE FUND TO \$12,000 PER APPLICANT INSTEAD OF THE PRESENT \$8,000.

ALSO THE MAXIMUM COVERAGE FOR WAGES IN LIEU OF NOTICE WILL BE INCREASED TO \$6,000, COMPARED WITH SEVEN DAYS' WAGES UP TO \$2,000 AT PRESENT.

ANOTHER PROPOSAL AGREED BY THE BOARD WAS TO AMEND THE FIRST SCHEDULE TO THE ECO SO AS TO ADJUST THE PERCENTAGES OF LOSS OF EARNING CAPACITY PRESCRIBED FOR SOME INJURIES TO BRING THEM TO A LEVEL COMPARABLE TO THOSE IN OTHER COUNTRIES.

THE PROPOSED AMENDMENT WILL ALSO EXPAND THE SCOPE OF THE SCHEDULE TO COVER SOME ADDITIONAL INJURIES AND TO PROVIDE FOR AN ADDITIONAL PERCENTAGE FOR AN INJURY TO THE PREFERRED HAND OF THE INJURED PERSON.

THE BOARD ALSO AGREED TO INCLUDE IN THE SECOND SCHEDULE TO THE ECO TUBERCULOSIS AS AN OCCUPATIONAL DISEASE FOR HEALTH-CARE PERSONNEL, RESEARCH WORKERS, LABORATORY WORKERS, PATHOLOGISTS AND POST-MORTEM WORKERS, WHO HAVE FREQUENT CONTACTS WITH A SOURCE OF THE DISEASE.

SEVEN OTHER DISEASES WILL ALSO BE INCLUDED IN THE SCHEDULE: VIRAL HEPATITIS; INFECTION BY STREPTOCOCCUS SUIIS; AVIAN CHALMYDIOSIS; LOCALISED NEW GROWTH OF THE SKIN, PAPILOMATOUS OR KERATOTIC; OCCUPATIONAL VITILIGO; BYSSINOSIS; AND OCCUPATIONAL ASTHMA.

IN ADDITION, METHYL-N-BUTYL KETONE WILL BE INCLUDED IN THE SCHEDULE AS A CHEMICAL AGENT CAUSING PERIPHERAL POLY-NEUROPATHY, ALREADY A LISTED OCCUPATIONAL DISEASE.

ANOTHER PROPOSAL SUPPORTED BY THE BOARD MEMBERS WILL EMPOWER THE COURT TO ORDER PAYMENT OF AN APPROPRIATE AMOUNT OF COMPENSATION TO AN AGGRIEVED EMPLOYEE BY AN EMPLOYER CONVICTED OF OFFENCES UNDER SECTION 72B OF THE EMPLOYMENT ORDINANCE.

UNDER SECTION 72B, NO EMPLOYER SHALL TERMINATE THE EMPLOYMENT OF, OR DISCRIMINATE AGAINST, ANY OF HIS EMPLOYEES BY REASON OF THE FACT THAT THE EMPLOYEE HAS GIVEN INFORMATION OR EVIDENCE IN PROCEEDINGS UNDER THE ORDINANCE.

TODAY'S MEETING ALSO AGREED TO A PROPOSAL TO GIVE AN EMPLOYER AN OPTION TO USE ANY PERIOD OF 12 CONSECUTIVE MONTHS SPECIFIED BY HIM AS THE "LEAVE YEAR" FOR THE PURPOSE OF CALCULATING HIS EMPLOYEES' ANNUAL LEAVE.

THIS WILL EASE THE ADMINISTRATIVE BURDEN ON EMPLOYERS IN CALCULATING LEAVE ENTITLEMENT AND MAINTAINING LEAVE RECORDS.

TO PREVENT AN EMPLOYEE FROM LOSING OUT IN THE STANDARDISATION PROCESS, MEMBERS AGREED THAT WHERE THE LENGTH OF SERVICE OF AN EMPLOYEE AT THE END OF THE NEW "LEAVE YEAR" IS NOT A WHOLE NUMBER, IT SHALL BE ROUNDED UP TO THE NEXT WHOLE NUMBER FOR THE PURPOSE OF DETERMINING HIS LEAVE EARNING RATE FOR THAT "LEAVE YEAR".

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84,696 SECONDARY 1 SCHOOL PLACES ALLOCATED

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ALL PRIMARY 6 STUDENTS PARTICIPATING IN THE SECONDARY SCHOOL PLACES ALLOCATION SYSTEM HAVE BEEN ALLOCATED SECONDARY 1 PLACES IN GOVERNMENT, AIDED OR PRIVATE SECONDARY SCHOOLS.

A SPOKESMAN FOR THE EDUCATION DEPARTMENT SAID OF THE TOTAL 84,696, 3,282 PUPILS (3.88 PER CENT) HAD BEEN SUCCESSFUL IN OBTAINING DISCRETIONARY PLACES APPLIED EARLIER THIS YEAR.

OF THE TOTAL, 40,116 (47.36 PER CENT) HAVE BEEN ALLOCATED ACCORDING TO THEIR FIRST CHOICE AND 58,649 (69.25 PER CENT) ACCORDING TO THEIR FIRST THREE CHOICES, THE SPOKESMAN SAID.

"ALL PLACES ALLOCATED ARE THREE-YEAR PLACES FOR WHICH NO TUITION FEES WILL BE CHARGED," HE ADDED.

IN ADDITION, 10 STUDENTS HAVE BEEN ADMITTED TO PRIVATE SECONDARY SCHOOLS WHICH HAVE JOINED THE DIRECT SUBSIDY SCHEME.

ALLOCATION RESULTS WILL BE AVAILABLE FROM PRIMARY SCHOOLS ON THURSDAY (JULY 9).

STUDENTS SHOULD COLLECT THE ADMISSION SLIP AND ALLOCATION SLIP IN THEIR PRIMARY 6 IDENTIFICATION FORM FROM THEIR SCHOOLS.

THE SPOKESMAN POINTED OUT THAT THERE WOULD ONLY BE ONE REGISTRATION PERIOD, ON JULY 15 (WEDNESDAY) AND JULY 16 (THURSDAY) THIS YEAR.

"ALL STUDENTS MUST REPORT DURING THE REGISTRATION PERIOD TO THE SECONDARY SCHOOLS TO WHICH THEY HAVE BEEN ALLOCATED. FAILING TO DO SO MAY MEAN THAT THEY HAVE CHOSEN NOT TO TAKE UP THE PLACES ALLOCATED," HE SAID.

THE SPOKESMAN ADDED THAT IF BOTH THE STUDENT AND THE PARENT/GUARDIAN WERE AWAY FROM HONG KONG DURING THE REGISTRATION PERIOD, THEY SHOULD AUTHORISE, IN WRITING, REPRESENTATIVES TO REGISTER ON THEIR BEHALF.

COPIES OF LETTERS OF AUTHORISATION ARE OBTAINABLE FROM HEADS OF PRIMARY SCHOOLS.

IN CASE OF GENUINE DIFFICULTIES THE PARENTS OR STUDENTS SHOULD INFORM THE SECONDARY SCHOOL PLACES ALLOCATION SECTION BEFORE THE END OF THE REGISTRATION PERIOD SO THAT ALTERNATIVE ARRANGEMENTS MAY BE MADE.

"AFTER THE REGISTRATION PERIOD, VACANCIES WILL BE FILLED AT THE ENTIRE DISCRETION OF INDIVIDUAL SCHOOLS," HE ADDED.

/WHEN REPORTING .....

WHEN REPORTING TO THE SECONDARY SCHOOLS FOR REGISTRATION, STUDENTS SHOULD WEAR THEIR SCHOOL UNIFORMS AND BRING THE FOLLOWING:

- \* PRIMARY 6 IDENTIFICATION FORMS, TO WHICH THEIR INDIVIDUAL ALLOCATION SLIPS ARE ATTACHED;
- \* THE ADMISSION SLIPS;
- \* BIRTH CERTIFICATES, HONG KONG JUVENILE IDENTITY CARDS OR OTHER DOCUMENTARY EVIDENCE OF THEIR DATE OF BIRTH AND THEIR STATUS AS PERMANENT RESIDENTS OF HONG KONG;

(NOTE: PUPILS SHOULD ALSO BRING ALONG THEIR TRAVELLING DOCUMENTS IF THE SYMBOL "C" (FOR CONDITIONAL STAY) IS FOUND AT LINE 7 OF THE NEW-TYPE HONG KONG IDENTITY CARD);

- \* LATEST SCHOOL REPORTS, IF ANY; AND
- \* TWO RECENT PASSPORT-SIZE PHOTOGRAPHS.

"PARENTS SEEKING TRANSFERS FOR THEIR WARDS SHOULD DIRECTLY APPROACH THE SCHOOLS OF THEIR CHOICE FOR APPLICATION. ACCEPTANCE IS AT THE ENTIRE DISCRETION OF THE SCHOOLS," HE SAID.

SUCCESSFUL APPLICANTS HAVE TO RETRIEVE THE ADMISSION SLIPS FROM THE SECONDARY SCHOOLS WHICH THEY HAVE REGISTERED DURING THE REGISTRATION PERIOD AND HAND THEM TO THE SCHOOLS OF TRANSFER.

"PARENTS OR STUDENTS ARE REMINDED THAT BY RETRIEVING THEIR ADMISSION SLIPS, THEIR REGISTRATION WITH THE SCHOOLS WILL AT THE SAME TIME BE CANCELLED," HE SAID.

"SHOULD THE TERRITORY BE AFFECTED BY TROPICAL CYCLONES, PRESISTENT HEAVY RAIN OR THUNDERSTORM DURING THE REGISTRATION PERIOD, HEADS OF SCHOOLS AND PARENTS ARE ADVISED TO LISTEN TO ANNOUNCEMENTS IN THE MEDIA FOR ANY SPECIAL ARRANGEMENTS," THE SPOKESMAN ADDED.

ANY ENQUIRIES CONCERNING THE ALLOCATION RESULTS SHOULD BE REFERRED TO THE SECONDARY SCHOOL PLACES ALLOCATION SECTION OF THE EDUCATION DEPARTMENT ON TEL 891 2200 DURING OFFICE HOURS.

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#### GOVT INTENDS TO INTRODUCE SUB-CAP ON TELEPHONE TARIFF

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THE SECRETARY FOR ECONOMIC SERVICES, MRS ANSON CHAN, SAID TODAY (MONDAY) THAT THE GOVERNMENT NOW INTENDS TO INTRODUCE A SUB-CAP BELOW THE MAIN PRICE CAP TO LIMIT TELEPHONE TARIFF INCREASES FOR RESIDENTIAL EXCHANGE LINE CONNECTIONS AND RENTAL.

SPEAKING AT THE OPENING CEREMONY OF THE PAN ASIAN MOBILE COMMUNICATIONS SUMMIT, MRS CHAN SAID THIS WAS TO ADDRESS THE CONCERN THAT FUTURE TARIFFS FOR SOME SOCIALLY IMPORTANT SERVICES COULD INCREASE BY FAR MORE THAN THE CONSUMER PRICE INDEX (A-4) PRICE CAP.

THE LEVEL FOR THIS SUB-CAP REMAINED TO BE DETERMINED, BUT WOULD CERTAINLY NOT BE GREATER THAN INFLATION, SHE SAID.

ON THE FUTURE REGULATORY BODY FOR TELECOMS IN HONG KONG, MRS CHAN SAID THE GOVERNMENT ACCEPTED THAT TELECOMS WAS A DYNAMIC BUSINESS AND THAT WHAT WAS AN ADEQUATE REGULATORY STRUCTURE TODAY MIGHT NOT BE ADEQUATE FOR THE FUTURE COMPETITIVE ENVIRONMENT.

"THERE IS A NEED FOR MORE RESOURCES AND FOR MORE FINANCIAL AND ACCOUNTING EXPERTISE AT THE SHARP END OF TELECOMS REGULATION. THE STATUTORY REMIT OF THE TELECOMMUNICATIONS AUTHORITY ALSO REQUIRES STRENGTHENING.

"CONSIDERABLE SUPPORT HAS BEEN EXPRESSED BY LEGISLATIVE COUNCILLORS, BY THE INDUSTRY AND BY USERS FOR THE ESTABLISHMENT OF A SEPARATE REGULATORY BODY SIMILAR TO THE UK'S OFTEL.

"WE ARE GIVING THIS IDEA SERIOUS CONSIDERATION, AND EXPECT TO MAKE AN ANNOUNCEMENT ON THE FUTURE REGULATORY BODY SHORTLY," SHE SAID.

MRS CHAN POINTED OUT THAT THE GOVERNMENT IS OPEN-MINDED OVER THE APPROACH TO LICENSING COMPETITION TO THE HONG KONG TELEPHONE COMPANY.

THE MAIN OPTIONS APPEARED TO BE TENDERING FOR A SECOND NETWORK OR OPEN LICENSING.

"SO FAR OUR SOUNDINGS HAVE INDICATED STRONG SUPPORT FOR A MARKET DRIVEN APPROACH, THAT IS LETTING THE MARKET DECIDE HOW MANY ADDITIONAL NETWORKS - IF ANY - IT WANTS."

SHE SAID THIS WAS AN APPROACH THAT WOULD SIT WELL WITH THE GENERAL PHILOSOPHY IN TELECOMS POLICY OF MAXIMISING OPPORTUNITIES FOR CHOICE AND COMPETITION IN ALL SECTORS, WHERE EXISTING FRANCHISE AND LICENCE AGREEMENTS ALLOWED THIS.

"WE INTEND TO MAKE AN ANNOUNCEMENT ON THE LICENSING FRAMEWORK BY THE END OF THIS MONTH TO ASSIST PROSPECTIVE BIDDERS FOR SUBSCRIPTION TV IN ASSESSING THE POTENTIAL FOR PROVIDING TELECOMS SERVICES OVER THEIR NETWORKS," MRS CHAN SAID.

SHE SAID THE GOVERNMENT HAD TAKEN A SIGNIFICANT STEP FORWARD IN FURTHER LIBERALISING THE LOCAL MARKET WITH ITS RECENTLY ANNOUNCED POLICY FRAMEWORK.

"WE FULLY INTEND TO ENSURE THAT OUR REGULATORY FRAMEWORK CONTINUES TO ADAPT AND CHANGE IN LINE WITH CONSUMERS' DEMANDS AND THE RAPID TECHNOLOGICAL ADVANCES IN THE ENTIRE TELECOMMUNICATIONS MARKET.

"CONSUMERS' INTERESTS ARE BEST SERVED BY PROVIDING THE WIDEST POSSIBLE CHOICE AT REASONABLE PRICES WHILST ENSURING THAT THE BUSINESS ENVIRONMENT REMAINS SUFFICIENTLY ATTRACTIVE TO ENCOURAGE CONTINUED INVESTMENT IN STATE-OF-THE-ART TECHNOLOGIES IN THIS VITAL FIELD," SHE SAID.

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VIETNAMESE POPULATION IN HK DROPPED

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THE NON-REFUGEE POPULATION OF VIETNAMESE MIGRANTS IN HONG KONG HAS DROPPED BELOW 50,000 FOR THE FIRST TIME SINCE 1988, THE NEW REFUGEE CO-ORDINATOR, MR BRIAN BRESNIHAN, SAID TODAY (MONDAY).

"THIS IS A CLEAR VINDICATION OF THE ORDERLY RETURN PROGRAMME AS A MEANS TO DISCOURAGE DEPARTURES FROM VIETNAM AND TO ENCOURAGE THOSE HERE TO RETURN HOME VOLUNTARILY," HE SAID.

HE POINTED OUT THAT COMPARED TO LAST YEAR'S TOTAL OF MORE THAN 20,000 VIETNAMESE ARRIVALS, ONLY SEVEN HAD COME THIS YEAR, WHILE 5,396 HAD VOLUNTEERED TO RETURN HOME SO FAR THIS YEAR COMPARED TO ONLY 7,660 FOR THE WHOLE OF 1991.

"WHILE THERE IS STILL SOME WAY TO GO BEFORE THE CAMPS CAN BE CLEARED, WE SEE THIS AS A VERY ENCOURGING TREND WHICH WE HOPE TO MAINTAIN AND ACCELERATE," SAID MR BRESNIHAN.

"VIETNAM HAS BEEN MAKING GREAT EFFORTS TO ABSORB MORE RETURNEES AND THIS MONTH ALONE HAS APPROVED SIX FLIGHTS UNDER THE UNHCR VOLUNTARY REPATRIATION PROGRAMME," HE ADDED.

BUT THE REFUGEE CO-ORDINATOR STRESSED THAT THERE WOULD BE NO LETUP IN THE ORDERLY RETURN PROGRAMME.

"THE NEXT FLIGHT SHOULD BE IN EARLY AUGUST AND MORE WILL FOLLOW ON A REGULAR BASIS.

"IN THE MEANTIME, THE GOVERNMENT AND THE UNHCR WILL CONTINUE TO STEP UP COUNSELLING EFFORTS TO ENCOURAGE ALL NON-REFUGEES TO GO HOME VOLUNTARILY," HE SAID.

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APPEAL FOR SUPPORT TO HERITAGE TRUST

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IN ONE OF HIS FINAL ACTS AS GOVERNOR, LORD WILSON DEEMED THE YU KIU ANCESTRAL HALL IN PING SHAN AS AN HISTORICAL MONUMENT.

THIS BROUGHT TO 21 THE BUILDINGS AND PLACES DECLARED AND DEEMED AS MONUMENTS DURING HIS TENURE AS GOVERNOR, MAKING THE TOTAL TO DATE TO 54.

LORD WILSON ALSO APPROVED THE FOUNDATION OF A HERITAGE TRUST IN HIS NAME, WHICH WILL UNDERTAKE EDUCATIONAL AND CONSERVATION PROJECTS WHICH HELP TO PRESERVE HONG KONG'S HERITAGE.

THE TRUST WILL BE CHAIRED BY BARONESS DUNN.

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THE YU KIU ANCESTRAL HALL IS ONE OF SEVERAL HISTORIC BUILDINGS IN THE PING SHAN AREA OF YUEN LONG WHICH WILL FORM PART OF HONG KONG'S FIRST HERITAGE TRAIL PLANNED TO BE OPENED NEXT YEAR.

THE BUILDING COMPRISES THREE HALLS AND WAS LAST RENOVATED DURING THE REIGN OF GUANG XU (1875-1908).

IT WAS USED AS A VILLAGE SCHOOL FOR MANY YEARS, BUT HAS SINCE FALLEN INTO DISUSE. THE ENTRANCE HALL HAS BEEN DAMAGED BY FIRE.

THE SECRETARY FOR RECREATION AND CULTURE, MR JAMES SO, SAID THE ANTIQUITIES AND MONUMENTS OFFICE WOULD UNDERTAKE EMERGENCY REPAIRS TO THE HALL.

HE HOPED THAT THE LORD WILSON HERITAGE TRUST WOULD BE ABLE TO FUND THE COST OF FULL RESTORATION, ESTIMATED TO BE ABOUT \$5 MILLION.

HE URGED MEMBERS OF THE PUBLIC TO CONTRIBUTE GENEROUSLY TO THE TRUST, WHICH HE SAID WOULD PLAY A VITAL PART IN CONSERVING HONG KONG'S HERITAGE.

DONATIONS SHOULD BE MADE PAYABLE TO THE "LORD WILSON HERITAGE TRUST" AND MAY BE SENT TO P.O. BOX 8800 OR DEPOSITED AT ANY BRANCH OF THE HONGKONGBANK.

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#### VIEWS ON NEW POWER LINES INVITED

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MEMBERS OF THE PUBLIC ARE INVITED TO EXPRESS VIEWS ON A PROPOSAL BY THE CHINA LIGHT AND POWER COMPANY LTD TO CONSTRUCT A NEW POWER TRANSMISSION NETWORK TO BRING ELECTRICITY FROM THE PROPOSED NEW POWER STATION AT BLACK POINT TO VARIOUS PARTS OF KOWLOON AND THE NEW TERRITORIES.

A SPOKESMAN FOR THE AGRICULTURE AND FISHERIES DEPARTMENT SAID TODAY (MONDAY) THAT THE PROPOSAL WAS CONSIDERED BY THE PLANNING AND MANAGEMENT COMMITTEE OF THE COUNTRY PARKS BOARD AT ITS LAST MEETING IN APRIL.

"AS TWO OF THE THREE PROPOSED LINES WILL TOUCH ON COUNTRY PARK AREAS, THE COMMITTEE CONSIDERED THAT THE CHINA LIGHT AND POWER COMPANY LTD SHOULD CONDUCT PUBLIC CONSULTATION ON THE PROJECT," HE SAID.

THE THREE LINES TO BE CONSTRUCTED BETWEEN 1994 AND 1996 ARE:

- \* A 4.5-KILOMETRE LINE TO LINK THE NEW POWER PLANT AT BLACK POINT WITH THE EXISTING CASTLE PEAK POWER STATION;
- \* A 7.5-KILOMETRE LINE TO LINK THE PROPOSED TSEUNG KWAN O SUBSTATION WITH THE EXISTING TSZ WAN SHAN SUBSTATION; AND
- \* A 40-KILOMETRE LINE TO LINK THE NEW POWER PLANT WITH THE EXISTING SHATIN SUBSTATION.

THE SPOKESMAN POINTED OUT THAT THE PROPOSED ROUTE FROM TSEUNG KWAN O TO TSZ WAN SHAN WOULD ENTER THE MA ON SHAN COUNTRY PARK WHILE THE ONE LINKING THE PROPOSED NEW POWER STATION AT BLACK POINT TO SHA TIN WOULD PASS BY TAI LAM COUNTRY PARK, TAI MO SHAN COUNTRY PARK AND THE TAI PO KAU SPECIAL AREA.

THE COMPANY HAS CONDUCTED AN "ENVIRONMENTAL ROUTE ASSESSMENT STUDY" FOR THE TRANSMISSION LINES.

COPIES OF THE FINAL ENVIRONMENTAL ROUTE ASSESSMENT REPORT AND THE EXECUTIVE SUMMARY WHICH CONTAINS THE DETAILED ALIGNMENTS ARE AVAILABLE FOR PUBLIC INFORMATION AT YUEN LONG DISTRICT OFFICE, SAI KUNG DISTRICT OFFICE, SHA TIN DISTRICT OFFICE, TAI PO DISTRICT OFFICE AND TUEN MUN DISTRICT OFFICE AS WELL AS REGIONAL COUNCIL'S PUBLIC LIBRARIES.

THE PUBLIC CONSULTATION EXERCISE WILL LAST FOR TWO MONTHS. ENQUIRIES ON THE DETAILS OF THE PROPOSED TRANSMISSION NETWORK CAN BE MADE TO THE CHINA LIGHT AND POWER COMPANY LTD.

MEMBERS OF THE PUBLIC WHO WISH TO EXPRESS THEIR VIEWS ON THE PROJECT SHOULD SEND IN THEIR COMMENTS TO THE COMPANY DIRECT.

IN ADDITION, THEY ARE WELCOMED TO SEND IN THEIR VIEWS ON THE PARTS RELATING TO COUNTRY PARKS TO THE COUNTRY PARKS BOARD SECRETARIAT AT THE AGRICULTURE AND FISHERIES DEPARTMENT, 12TH FLOOR, CANTON ROAD GOVERNMENT OFFICES, 393 CANTON ROAD, KOWLOON.

"ALL VIEWS WILL BE CONSIDERED BY THE COUNTRY PARKS BOARD BEFORE IT MAKES RECOMMENDATIONS TO THE GOVERNMENT," THE SPOKESMAN SAID.

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REPORT ON TEXTILES AND CLOTHING INDUSTRIES PUBLISHED  
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THE INDUSTRY DEPARTMENT TODAY (MONDAY) RELEASED A TECHNO-ECONOMIC AND MARKET RESEARCH STUDY REPORT ON HONG KONG'S TEXTILES AND CLOTHING INDUSTRIES.

COPIES OF THE REPORT ARE NOW ON SALE AT THE GOVERNMENT PUBLICATIONS SALES CENTRES, GROUND FLOOR, GENERAL POST OFFICE BUILDING, CONNAUGHT PLACE, CENTRAL.

THE STUDY, WHICH FOCUSES ON TEXTILES, CLOTHING AND FOOTWEAR INDUSTRIES, IS THE SECOND OF ITS KIND: THE FIRST ONE BEING CONDUCTED IN 1986.

IT WAS COMMISSIONED BY THE INDUSTRY DEPARTMENT AND UNDERTAKEN BY KURT SALMON ASSOCIATES, INC. (KSA), A U.S.-BASED MANAGEMENT CONSULTANCY FIRM.

/IT COVERED .....

IT COVERED THE SPINNING, WEAVING, DYEING AND FINISHING, KNITWEAR, CLOTHING, FOOTWEAR AND TRADING SECTORS.

ALTOGETHER, THESE SECTORS ACCOUNTED FOR 40.7 PER CENT OF DOMESTIC EXPORTS, 27.2 PER CENT OF RE-EXPORTS AND 44.3 PER CENT OF MANUFACTURING EMPLOYMENT IN HONG KONG LAST YEAR.

IN ITS REPORT, KSA ANALYSED THE MAJOR STRENGTHS AND WEAKNESSES OF THE VARIOUS SEGMENTS OF HONG KONG'S TEXTILES, CLOTHING AND FOOTWEAR INDUSTRIES AND PROVIDED UP-TO-DATE INFORMATION ON MARKETING TRENDS AND COMPETITIVENESS OF LOCAL MANUFACTURING.

A SPOKESMAN FOR THE INDUSTRY DEPARTMENT SAID KSA CONSIDERED THAT HONG KONG COMPANIES MUST UPGRADE THEIR MANUFACTURING CAPABILITY AND DEVELOPMENT OF AN EPICENTRE STRATEGY TO PROVIDE MORE DESIGNING, MERCHANDISING, SOURCING AND QUALITY CONTROL SERVICES TO CUSTOMERS.

"TO THIS END, KSA HAS PROPOSED A VARIETY OF WAYS THAT THE PRIVATE AND PUBLIC SECTORS MAY ADOPT TO MINIMISE THE THREATS AND MAXIMISE THE ADVANTAGE OF THE OPPORTUNITIES AVAILABLE," THE SPOKESMAN SAID.

"THE TEXTILES AND CLOTHING COMMITTEE OF THE INDUSTRY AND TECHNOLOGY DEVELOPMENT COUNCIL WILL CONSIDER THE STUDY REPORT IN DETAIL AND WILL ADVISE THE GOVERNMENT ON WHAT FOLLOW-UP ACTIONS SHOULD BE TAKEN," HE ADDED.

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TENDERS INVITED FOR THREE PUBLIC PROJECTS  
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THE ARCHITECTURAL SERVICES DEPARTMENT IS INVITING TENDERS FOR THE CONSTRUCTION OF A SERVICES COMPLEX FOR THE ELDERLY AT WONG CHUK HANG.

THE COMPLEX WILL COMPRISE A FIVE-STOREY MAIN INFIRMARY BLOCK, A FIVE-STOREY CARE-AND-ATTENTION BUILDING AND A SIX-STOREY STAFF QUARTERS BUILDING.

THE CONTRACTOR IS ALSO REQUIRED TO PROVIDE ALL DRAINAGE AND EXTERNAL WORKS (EXCEPT LANDSCAPING) SUCH AS SURFACING OF THE ACCESS ROAD AND CONSTRUCTION OF THE ASSOCIATED FOOTPATHS AND PAVEMENTS.

TENDERS WILL BE CLOSED ON JULY 31.

MEANWHILE, TENDERS ARE ALSO BEING INVITED FOR TWO EXTENSION WORKS.

ONE OF THEM IS FOR THE UPGRADING OF A HYDRAULIC FLYING SYSTEM IN THE GRAND THEATRE OF THE HONG KONG CULTURAL CENTRE.

/UPON COMPLETION .....

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UPON COMPLETION OF THE WORK, THE EXISTING HYDRAULIC ASSISTED FLYING UNITS WILL BE REVERTED FROM ELECTRONIC TO COMPUTER-BASED CONTROL, ALLOWING MORE VERSATILE FUNCTIONS.

THE OTHER EXTENSION WORK IS FOR THE CONSTRUCTION OF AN ADDITIONAL SERVICES HALL, TOGETHER WITH A GENERAL OFFICE, AT THE CAPE COLLINSON CREMATORIUM.

TENDERS FOR BOTH PROJECTS WILL BE CLOSED ON JULY 24.

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WATER STORAGE FIGURE  
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STORAGE IN HONG KONG'S RESERVOIRS AT 9 AM TODAY (MONDAY) STOOD AT 77.4 PER CENT OF CAPACITY OR 453.576 MILLION CUBIC METRES.

THIS TIME LAST YEAR THE RESERVOIRS CONTAINED 168.466 MILLION CUBIC METRES OF WATER, REPRESENTING 28.7 PER CENT OF CAPACITY.

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

	\$ MILLION
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OPENING BALANCE IN THE ACCOUNT	1,108
REVERSAL OF LAF	-120
BALANCE AFTER REVERSAL OF LAF	988
NET INJECTION/WITHDRAWAL TODAY	NIL
EFFECT OF LAF TODAY	+300
CLOSING BALANCE IN THE ACCOUNT	1,288
LAF RATE 2.00 BID/4.00 OFFER	TWI 110.1 *+0.2* 6.7.92

/HONG KONG .....

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HONG KONG GOVERNMENT EXCHANGE FUND

EF BILLS

HONG KONG GOVERNMENT BONDS

TERMS	YIELD	TERM	ISSUE	COUPON	PRICE	YIELD
1 WEEK	2.53 PCT	16 MONTHS	2311	6.25	102.90	4.08
1 MONTH	2.54 PCT	19 MONTHS	2402	5.50	101.68	4.46
3 MONTHS	2.59 PCT	22 MONTHS	2405	5.50	101.47	4.72
6 MONTHS	2.77 PCT					
12 MONTHS	3.54 PCT					

TOTAL TURNOVER OF BILLS AND BONDS - 14,378MN

CLOSED 6 JULY 1992

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