



DAILY INFORMATION BULLETIN

MONDAY, SEPTEMBER 12, 1977

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STRONG DOMESTIC ECONOMIC ACTIVITY IN 1977
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CONSUMPTION AND INVESTMENT ARE PROVIDING THE MAIN IMPETUS TO GROWTH IN THE HONG KONG ECONOMY SO FAR IN 1977.

THIS STRONG DOMESTIC ECONOMIC ACTIVITY IS SPELT OUT IN DETAIL IN THE GOVERNMENT'S HALF-YEARLY ECONOMIC REPORT RELEASED TODAY.

THE REPORT, WHICH REVIEWS EVENTS UP TO THE FIRST HALF OF 1977, WILL SHORTLY BE ON SALE.

IT POINTS OUT THAT CONSUMPTION AND INVESTMENT EXPENDITURE, INFLUENCED BY THE RAPID INCREASE IN INCOMES LAST YEAR, HAVE BEEN STRONG BUT HAVE COINCIDED WITH A WEAK EXPORT PERFORMANCE.

THIS HAS PREVENTED THE COST/PRICE STRUCTURE FROM DEFLATING TOO RAPIDLY IN RESPONSE TO SLOWED DOWN EXPORTS, THE REPORT SAYS. AS ILLUSTRATIONS, THE REPORT POINTS TO THE FACT THAT WAGES HAVE CONTINUED TO INCREASE AND UNEMPLOYMENT HAS BEEN MAINTAINED AT THE RATHER LOW LEVEL OF ABOUT 4.5 PER CENT.

THE REPORT, HOWEVER, ADDS THAT A SITUATION OF STRONG DOMESTIC DEMAND COMBINED WITH WEAK PERFORMANCE IN EXPORTS IS NOT SUSTAINABLE BECAUSE +A WEAK PERFORMANCE IN EXPORTS, THE SIZE OF WHICH IS OF THE SAME ORDER OF MAGNITUDE AS THE GROSS DOMESTIC PRODUCT, WILL CERTAINLY CAUSE THE GROWTH OF INCOMES, AND HENCE OF DOMESTIC DEMAND, TO SLOW DOWN+.

THIS IS CONSISTENT WITH THE VIEWS EXPRESSED BY MR. PHILIP HADDON-CAVE, THE ACTING CHIEF SECRETARY, IN A SPEECH DELIVERED TO THE HONG KONG MANAGEMENT ASSOCIATION LAST FRIDAY EVENING.

THE WEAK PERFORMANCE IN HONG KONG'S EXPORTS APPEARS TO BE CAUSED BY HIGH STOCK LEVELS, IN PARTICULAR FOR CLOTHING, BEING RUN DOWN IN HONG KONG'S PRINCIPAL MARKETS.

THIS POSSIBILITY IS BORNE OUT BY THE FACT THAT CONSUMER DEMAND IN THESE MARKETS HAS NOT SLOWED DOWN AS MUCH AS HONG KONG'S EXPORT PERFORMANCE IN 1977 WOULD SUGGEST.

FOR CLOTHING AND TEXTILE PRODUCTS, AS HONG KONG IS NOT SO PRICE COMPETITIVE AS SOUTH KOREA, A MOVE TO DEplete STOCKS OF TEXTILES AND CLOTHING TENDS TO HIT HONG KONG FIRST, THE REPORT POINTS OUT. AND, THE SITUATION FOR TEXTILE AND CLOTHING IN 1977 HAS BEEN FURTHER COMPLICATED BY THE RE-NEGOTIATION OF THE MULTI-FIBRE ARRANGEMENT DUE TO EXPIRE AT THE END OF THIS YEAR.

THE REPORT SHOWS THAT THE VALUE OF DOMESTIC EXPORTS FOR THE FIRST HALF OF THIS YEAR AT HK\$ 15,776 MILLION, WAS SOME 7 PER CENT HIGHER THAN EXPORTS IN THE CORRESPONDING HALF IN 1976.

/EXPORT

EXPORT PRICES WERE ON AVERAGE 4 PER CENT HIGHER, THE QUANTITY OF DOMESTIC EXPORTS WAS ONLY 3 PER CENT HIGHER, IN MARKED CONTRAST TO THE 30 PER CENT GROWTH IN THE QUANTITY OF DOMESTIC EXPORTS FOR 1976 OVER 1975.

THE VALUE OF DOMESTIC EXPORTS IN THE FIRST HALF OF THIS YEAR TO FIVE OUT OF HONG KONG'S SIX LARGEST MARKETS WAS LOWER THAN IN THE SAME PERIOD LAST YEAR WITH THE EXCEPTION OF THE UNITED STATES.

+THE SLOW DOWN IN THE GROWTH OF DOMESTIC EXPORTS IN THE FIRST HALF OF 1977 WAS ALMOST WHOLLY THE RESULT OF LOWER EXPORTS OF CLOTHING AND TEXTILES PRODUCTS, BUT DOMESTIC EXPORTS OTHER THAN CLOTHING AND TEXTILES HAVE ALL RECORDED FAIRLY HIGH GROWTH RATES,+ ACCORDING TO THE REPORT.

PERFORMANCE OF DOMESTIC EXPORTS OF ELECTRONIC COMPONENTS AND WATCHES WAS OUTSTANDING WITH THE VALUE OF DOMESTIC EXPORTS IN THE FIRST HALF OF THE YEAR BEING RESPECTIVELY 46 PER CENT AND 34 PER CENT UP ON A YEAR AGO.

DIFFICULTIES WERE BEGINNING TO BE EXPERIENCED BY SECTORS MANUFACTURING AND EXPORTING CONSUMER GOODS BECAUSE OF SATURATION OF MARKETS IN THE CASE OF SEMI-DURABLES AND CHANGES IN CONSUMERS' TASTES IN RESPECT OF NON-DURABLE GOODS.

THE REPORT EMPHASIZES THE IMPORTANCE OF TECHNOLOGICAL BREAK-THROUGHS IN THE CREATION OF NEW WAVES OF DEMAND.

THE VALUE OF IMPORTS IN THE FIRST HALF OF 1977 WAS 14 PER CENT HIGHER THAN THAT IN THE FIRST HALF OF 1976, WITH LARGE INCREASES RECORDED IN IMPORTS OF CONSUMER GOODS AND CAPITAL GOODS.

THE REPORT SAYS THAT THE SLOW DOWN IN IMPORTS OF RAW MATERIALS WAS A REFLECTION OF EXPORT PERFORMANCE AND THE RAPID INCREASE IN IMPORTS OF CONSUMER GOODS AND CAPITAL GOODS WAS A REFLECTION OF STRONG DOMESTIC DEMAND.

THE REPORT INDICATES THAT IMPORT PRICES HAVE REMAINED VIRTUALLY CONSTANT THROUGHOUT THE FIRST HALF OF 1977 AFTER INCREASING STEADILY THROUGHOUT 1976. IT ADDS THAT +THE STABILITY OF IMPORT PRICES WAS ATTRIBUTABLE TO STABLE PRICES FOR FOOD FROM CHINA, AND DECLINING PRICES OF RAW MATERIALS FROM JAPAN AND THE UNITED STATES+. THIS COUNTER-BALANCED INCREASES IN PRICES OF IMPORTS OF CONSUMER GOODS, RAW MATERIALS AND CAPITAL GOODS FROM THE UNITED KINGDOM AND IN PRICES OF RAW MATERIALS FROM CHINA.

HOWEVER, IT SAYS THAT AS EXPORT PRICES WERE SLIGHTLY LOWER THAN LAST YEAR, THE TERMS OF TRADE HAVE IN FACT DETERIORATED. ALSO, THE FASTER GROWTH IN IMPORTS RELATIVE TO EXPORTS HAS RESULTED IN A WIDENING OF THE VISIBLE TRADE DEFICIT TO HK\$ 3,054 MILLION FOR THE FIRST HALF OF THE YEAR, NEARLY DOUBLE THE TRADE DEFICIT IN THE FIRST HALF OF LAST YEAR.

IN THE SECTION ON MONEY AND BANKING, THE REPORT INDICATES A CONTINUED INCREASE IN BANK DEPOSITS AND IN THE MONEY SUPPLY. IT ADDS THAT REDUCTIONS IN INTEREST RATES AND THE INCREASING USE OF SAVINGS ACCOUNTS HAVE RESULTED IN A RAPID GROWTH IN SAVINGS DEPOSITS, WHICH AT THE END OF THE FIRST HALF OF THIS YEAR HAD GROWN TO A SIZE LITTLE DIFFERENT FROM THAT OF TIME DEPOSITS.

THE REPORT SHOWS THAT DOMESTIC BANK LENDING HAS ACCELERATED DURING THE SECOND QUARTER OF THIS YEAR AND THE ACCELERATION CAME MAINLY FROM LOANS FOR INDUSTRY, IN PARTICULAR BUILDING AND CONSTRUCTION.

THE REPORT ALSO SUMMARIZES MOVEMENTS IN THE HONG KONG DOLLAR EXCHANGE RATE OVER THE 12 MONTHS UP TO JUNE 1977.

AS REGARDS BUILDING AND CONSTRUCTION ACTIVITY, THE REPORT POINTS OUT THAT, IN 1976, THE CONSTRUCTION INDUSTRY MOVED RAPIDLY OUT OF THE RECESSION AND RECORDED AN INCREASE IN OUTPUT IN EXCESS OF 30 PER CENT. IT ADDS THAT THE HIGH LEVEL OF ACTIVITY HAS CONTINUED INTO 1977 BUT CAUTIONS THAT CONSTRUCTION COSTS HAVE BEEN INCREASING RAPIDLY.

THE REPORT INDICATES THAT ALTHOUGH CONSTRUCTION MATERIALS HAVE NOT SHOWN ANY DRASTIC INCREASES, +THE LABOUR AND MATERIALS COST INDEX PREPARED BY THE ARCHITECTURAL OFFICE OF THE PUBLIC WORKS DEPARTMENT WENT UP BY 13 PER CENT DURING 1976 AND WAS, DURING THE FIRST FEW MONTHS OF 1977, INCREASING AT ABOUT THE SAME RATE.+

ON TEXTILE PRODUCTION, THE REPORT SHOWS THAT CAPACITY UTILIZATION IN THE TEXTILE INDUSTRY IN 1977 WAS CONSIDERABLY LOWER THAN IN 1976 AND THAT STOCKS WERE BUILDING UP RATHER RAPIDLY IN THE FIRST HALF OF THIS YEAR. THE INDEX OF PRODUCTION FOR THE SPINNING AND WEAVING SECTORS TAKEN AS A WHOLE WAS IN THE FIRST QUARTER 17 PER CENT BELOW THE PREVIOUS QUARTER AND 19 PER CENT BELOW THE CORRESPONDING QUARTER A YEAR AGO.

THE REPORT NOTES THAT THE ORDERS-ON-HAND POSITION FOR LARGE MANUFACTURING ESTABLISHMENTS DID NOT SHOW ANY IMPROVEMENT DURING THE SECOND QUARTER OF THIS YEAR. IT POINTS OUT THAT THIS WAS IN MARKED CONTRAST TO THE SUBSTANTIAL INCREASE IN ORDERS EXPERIENCED AT THE SAME TIME A YEAR AGO.

IN THE SECTION ON THE LABOUR MARKET, THE REPORT ANALYSES HOW THE SIZE OF THE LABOUR FORCE IS DETERMINED AT ANY POINT IN TIME.

IT SAYS THAT THE POPULATION'S DESIRE TO WORK WAS INFLUENCED BY THE LEVEL OF PROSPERITY IN THE ECONOMY.

/IT POINTS

IT POINTS OUT THAT THE RAPID INCREASE IN INCOMES IN 1976 HAS MEANT THAT THERE WAS A DECREASING NEED FOR SO MANY MEMBERS OF A FAMILY, IN PARTICULAR HOUSE-WIVES, TO WORK. INDICATIVE OF SUCH A DEVELOPMENT IS THAT FEMALE LABOUR FORCE PARTICIPATION RATE DROPPED FROM 45.3 PER CENT IN MARCH 1976 TO 42.7 PER CENT IN MARCH 1977, EVEN THOUGH SHORTAGES OF FEMALE LABOUR WERE REPORTED IN THE CLOTHING INDUSTRY.

THE REPORT INDICATES THAT THE SLIGHT DECREASE IN MANUFACTURING EMPLOYMENT BETWEEN SEPTEMBER 1976 AND MARCH 1977 WAS A REFLECTION OF THE DECREASED BUOYANCY OF MANUFACTURING INDUSTRY.

HOWEVER, BECAUSE OF THE CHANGING ATTITUDE TOWARDS WORK AND BECAUSE OF INCREASED DEMAND FOR LABOUR IN THE CONSTRUCTION AND THE CONSUMER SERVICES SECTORS, THERE WAS STILL SHORTAGE OF LABOUR IN THE MANUFACTURING INDUSTRY.

IN THIS CONNECTION, THE REPORT POINTS OUT THE EMPLOYMENT ON CONSTRUCTION SITES IN MARCH 1977 WAS 32 PER CENT HIGHER THAN A YEAR AGO BUT EMPLOYMENT IN THE WHOLESALE, RETAIL, IMPORT AND EXPORT INDUSTRIES, AFFECTED BY THE SLUGGISHNESS IN EXTERNAL TRADE, WAS 1 PER CENT DOWN.

WAGES FOR MANUFACTURING WORKERS HAVE CONTINUED TO INCREASE IN THE FIRST HALF OF 1977 BECAUSE THERE WAS SHORTAGE OF LABOUR, BUT THE REPORT POINTS OUT THAT +SINCE THE SHORTAGE WAS BROUGHT ABOUT BY COMPETING DEMANDS OF OTHER INDUSTRIES FOR LABOUR AND NOT BY ANY SIGNIFICANT INCREASE IN DEMAND IN THE MANUFACTURING SECTOR ITSELF, INCREASES IN WAGES IN MANUFACTURING WERE LESS SIGNIFICANT THAN ELSEWHERE+.

THE REPORT ILLUSTRATES THIS BY COMPARING THE WAGE FOR MANUFACTURING WORKERS, WHICH INCREASED BY 7 PER CENT BETWEEN SEPTEMBER 1976 AND MARCH THIS YEAR, WITH THE WAGE FOR CONSTRUCTION WORKERS WHICH INCREASED BY 11 PER CENT DURING THE SAME PERIOD.

ON PRICE MOVEMENTS, THE REPORT SHOWS SOME ACCELERATION IN CONSUMER PRICES WITH THE CONSUMER PRICE INDEX FOR THE FIRST HALF OF THE YEAR AVERAGING 6.7 PER CENT HIGHER THAN THE CORRESPONDING PERIOD A YEAR AGO.

THE REPORT ADDS THAT THIS WAS BECAUSE THE INCREASE IN DOMESTIC INCOMES AND DEMAND HAS CAUSED DOMESTICALLY DETERMINED PRICES TO RISE. ALSO, MOVEMENTS IN THE HONG KONG DOLLAR EXCHANGE RATE WERE NO LONGER PROVIDING THE SAME PROTECTION FROM INCREASES IN WORLD PRICES.

IN RESPECT OF PRICES FOR RAW MATERIAL, THE REPORT INDICATES THAT THEY HAVE IN GENERAL REMAINED FAIRLY STABLE BECAUSE WORLD DEMAND AND SUPPLY OF INDUSTRIAL MATERIALS APPEARED TO BE LARGELY IN BALANCE.

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COMMENTING ON THE REPORT, A GOVERNMENT SPOKESMAN SAID THAT THE HONG KONG ECONOMY IN 1977 IS UNDERGOING THE LATER PHASE OF A VERY RAPID RECOVERY.

HE SAID THAT AS IT USUALLY TAKES SOME TIME FOR DOMESTIC DEMAND TO REACT TO CHANGES IN INCOME, THE PRESENT HIGH RATE OF INCREASE IN CONSUMPTION EXPENDITURE AND INVESTMENT EXPENDITURE, IN PARTICULAR IN BUILDING AND CONSTRUCTION, ARE NOT UNEXPECTED.

HE SAID THAT AS THE GROWTH IN EXPORTS IN 1977 WAS SLOW, DOMESTIC ACTIVITY HAS PROVIDED THE MAIN STIMULANT FOR THE ECONOMY SO FAR THIS YEAR.

+HOWEVER, IN THE LONG RUN, ECONOMIC GROWTH IN HONG KONG MUST DEPEND ON THE GROWTH IN EXPORTS+, HE ADDED.

THE HALF-YEARLY ECONOMIC REPORT, WHICH IS THE UP-TO-DATE VERSION OF THE ECONOMIC BACKGROUND TO THE 1977-78 BUDGET, WILL SHORTLY BE AVAILABLE FOR SALE AT THE GOVERNMENT PUBLICATIONS CENTRE.

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\$1 BILLION DEVELOPMENT EARMARKED FOR NEW TOWNS

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THE GOVERNMENT IS EXPECTED TO SPEND \$1,000 MILLION IN THE FINANCIAL YEAR 1979/80 ON THE DEVELOPMENT OF NEW TOWNS IN THE NEW TERRITORIES.

DISCLOSING THIS AT THE NEW TERRITORIES ROTARY CLUB THIS EVENING, MR. CHAN NAI-KEONG, P.W.D.'S PROJECT MANAGER (TUEN MUN), SAID THIS SUM DID NOT INCLUDE THE EXPENDITURE OF THE HOUSING AUTHORITY IN THE NEW TOWNS.

MR. CHAN SAID THAT SINCE ITS INCEPTION IN AUGUST 1973, THE ANNUAL CAPITAL EXPENDITURE OF THE NEW TERRITORIES DEVELOPMENT DEPARTMENT HAD RISEN TO \$300 MILLION IN THE LAST FINANCIAL YEAR.

+THE APPROVED ESTIMATE FOR THIS YEAR TOTALS \$550 MILLION AND THE RATE OF ANNUAL EXPENDITURE IS EXPECTED TO INCREASE TO \$1,000 MILLION IN 1979/80,+ HE SAID.

MR. CHAN SPOKE BRIEFLY ON THE DEVELOPMENT IN EACH OF THE THREE NEW TOWNS -- SHA TIN, TSUEN WAN AND TUEN MUN.

REFERRING TO SHA TIN, HE SAID, IT WOULD HAVE SOME 550,000 PEOPLE ON COMPLETION OF THE PRESENT DEVELOPMENT PROGRAMME.

+HOWEVER, CONSIDERATION IS BEING GIVEN TO FURTHER EXTEND THE NEW TOWN DEVELOPMENT AREA TO ACCOMMODATE AN ADDITIONAL 130,000 PEOPLE,+ HE ADDED.

APART FROM MAJOR SITE FORMATIONS IN PROGRESS IN SHA TIN, HE SAID, MAJOR NEW ROADS AND FLYOVERS WERE BEING BUILT SO THAT THEY WOULD BE AVAILABLE IN GOOD TIME TO SERVE SHA TIN'S NEW POPULATION AS WELL AS THE NEW RACE COURSE.

MR. CHAN SAID: +A CITY HALL TO BE LOCATED AT THE TOWN CENTRE IS NOW UNDER ACTIVE PLANNING.

+THIS IS A PURPOSE-DESIGNED FACILITY TO ACCOMMODATE AN AUDITORIUM SUITABLE FOR CONCERTS AND CHINESE OPERAS TOGETHER WITH ANCILLARY FACILITIES SUCH AS RESTAURANT, OFFICES AND MEETING ROOMS.+

IN THE PRIVATE SECTOR, HE SAID, WORK ON TWO LARGE COMPREHENSIVE DEVELOPMENT SITES WERE PROCEEDING WELL.

WHEN COMPLETED IN ABOUT TWO YEARS, THEY WOULD PROVIDE HOUSING FOR SOME 64,000 PEOPLE TO COMPLEMENT THE PUBLIC HOUSING POPULATION.

/TURNING TO

TURNING TO TSUEN WAN, MR. CHAN SAID THAT SINCE THE DECISION IN 1973 TO EXPAND IT TO A NEW TOWN OF 900,000 PEOPLE, A NUMBER OF COMMUNITY PROJECTS HAD BEEN COMPLETED.

THESE INCLUDED THE DIVISIONAL POLICE STATION AND THE SWIMMING POOL COMPLEX IN KWAI CHUNG.

HE SAID WORK ON MANY MORE HAD BEGUN. AMONG THEM WERE FIVE SECONDARY SCHOOLS, ONE OF WHICH WAS THE SECONDARY TECHNICAL SCHOOL AT HA KWAI CHUNG.

IN ADDITION, 18 MORE SECONDARY SCHOOLS AND 16 PRIMARY SCHOOLS WERE IN THE PUBLIC WORKS PROGRAMME AND WERE SCHEDULED FOR COMPLETION IN BATCHES BEFORE 1981.

MR. CHAN FELT SURE THAT A MAJOR FACILITY WHICH THE POPULATION OF TSUEN WAN WOULD TAKE PRIDE IN WAS THE MULTI-PURPOSE AUDITORIUM NOW BEING CONSTRUCTED NEAR TSUEN WAN MAGISTRACY.

HE SAID THAT THE AUDITORIUM WAS SIMILAR IN DESIGN TO THE CITY HALL CONCERT HALL ON HONG KONG ISLAND.

WHEN COMPLETED IN LATE 1979, IMPORTANT CONCERTS, OPERAS, PLAYS AND STAGE SHOWS COULD BE HELD LOCALLY IN TSUEN WAN.

ON COMMUNICATION, MR. CHAN SAID THAT IMPROVEMENTS TO THE ROAD SYSTEM BY THE CONSTRUCTION OF FLYOVERS AND PEDESTRIAN GRADE-SEPARATIONS WERE BEING PURSUED ACTIVELY.

AND HE WAS SURE THAT THE DECISION TO EXTEND THE MASS TRANSIT RAILWAY TO TSUEN WAN WAS WELCOMED BY THE EXISTING AND FUTURE RESIDENTS OF THE TOWN.

MR. CHAN SAID: +SOMEWHAT LIKE SHA TIN, TUEN MUN IS BEING DEVELOPED MAINLY BY RECLAMATION, OBTAINING THE FILLING MATERIAL FROM THE HILLSIDES.

+IN TERMS OF THE NUMBER OF PEOPLE NOW LIVING IN IT, THE TOWN IS STILL SMALL.+

BUT, HE ADDED THAT MUCH LAND WAS BEING FORMED AND HOUSING DEVELOPMENT WAS PROGRESSING AT A GRATIFYING SPEED TOWARDS THE TARGET OF HALF A MILLION PEOPLE FOR THE NEW TOWN.

ALSO MAKING GOOD PROGRESS IS THE WORK ON SEVERAL MAJOR RECLAMATION CONTRACTS.

MR. CHAN SAID THAT THE FUTURE TOWN CENTRE WOULD BE LOCATED AT THE MAIN BAY IN TUEN MUN WHICH WAS NOW ABOUT HALF FILLED.

IT WOULD CONSIST OF A SERIES OF BUILDINGS, HOUSING A PUBLIC LIBRARY, A STUDY CENTRE, A THEATRE, ART GALLERY AND AN AUDITORIUM. A MAGISTRACY AND A GOVERNMENT OFFICE BLOCK WOULD ALSO BE BUILT THERE.

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ON HOUSING, HE SAID PILING WORK WOULD START NEXT MONTH ON THE NEW RECLAMATION FOR TWO LARGE HOUSING ESTATES, WHICH WOULD TOGETHER HOUSE 86,000 PEOPLE.

CONSTRUCTION FOR ANOTHER PUBLIC HOUSING ESTATE FOR 10,000 PEOPLE IS WELL UNDERWAY ON A SMALL RECLAMATION NEAR SAM SHING HUI.

THESE ARE IN ADDITION TO THE WORKS GOING ON AT TAI HING ESTATE, WHICH CAN HOUSE A TOTAL OF 46,000 PEOPLE, HE SAID.

MR. CHAN WENT ON TO SAY THAT THE NEW MOTORWAY CONNECTING THE NEW TOWNS OF TSUEN WAN AND TUEN MUN WAS ALMOST FINISHED.

+WHEN OPENED TO TRAFFIC EARLY NEXT YEAR, THIS \$300 MILLION TUEN MUN HIGHWAY WILL CUT THE TRAVELLING TIME BETWEEN THE TWO TOWNS TO ABOUT 15 MINUTES,+ HE SAID.

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HK CONTRIBUTES TO UN DRUG ABUSE CONTROL FUND
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THE HONG KONG GOVERNMENT TODAY (MONDAY) CONTRIBUTED, FOR THE THIRD CONSECUTIVE YEAR, \$100,000 TO THE UNITED NATIONS FUND FOR DRUG ABUSE CONTROL (UNFDAC), DEMONSTRATING FURTHER ITS SUPPORT FOR THE WORLD-WIDE FIGHT AGAINST THE GLOBAL PROBLEM OF DRUG ABUSE.

THE COMMISSIONER FOR NARCOTICS, MR. E. I. LEE, WHO IS NOW IN EUROPE AFTER ATTENDING AN INTERPOL MEETING THERE, PRESENTED A CHEQUE FOR \$100,000 PERSONALLY TO THE EXECUTIVE DIRECTOR OF UNFDAC, DR. JACOBUS DE BEUS, AT THE UNITED NATIONS HEADQUARTERS IN GENEVA.

THE PRESENTATION BRINGS THE TOTAL SUM OF MONEY CONTRIBUTED BY HONG KONG TO THE FUND SINCE 1975 TO \$300,000, WHICH IS THE LARGEST OF ALL CONTRIBUTIONS FROM DEVELOPING COUNTRIES AND TERRITORIES AND IS EVEN LARGER THAN A NUMBER OF THOSE FROM DEVELOPED COUNTRIES.

UNFDAC, ESTABLISHED IN 1971, IS PROVIDING FINANCIAL ASSISTANCE TO A LARGE NUMBER OF ANTI-NARCOTICS PROJECTS AROUND THE WORLD.

AMONG THE MAJOR ONES ARE THE THAILAND/U.N. CROP SUBSTITUTION PROGRAMME WHICH AIMS AT SUBSTITUTING OPIUM POPPIES WITH OTHER CROPS IN THE +GOLDEN TRIANGLE+, AND THE ANNUAL MEETINGS OF OPERATIONAL HEADS OF NARCOTICS LAW ENFORCEMENT BUREAUX IN SOUTHEAST ASIA, BOTH OF WHICH ARE OF PARTICULAR SIGNIFICANCE TO HONG KONG'S ANTI-NARCOTICS WORK.

OTHER UNFDAC ACTIVITIES INCLUDE TRAINING FELLOWSHIPS, DISSEMINATION OF INFORMATION ON THE WORLD NARCOTICS SITUATION, AND RESEARCH FOR DRUG ADDICTION TREATMENT TECHNIQUES.

A NARCOTICS DIVISION SPOKESMAN SAID HONG KONG'S CONTINUED CONTRIBUTION TO THE FUND INDICATED ITS FIRM SUPPORT FOR, AND ACTIVE PARTICIPATION IN INTERNATIONAL ACTION AGAINST THE SCOURGE OF DRUG TRAFFICKING AND DRUG ABUSE.

+REALISING THAT HONG KONG, TOGETHER WITH MANY OTHER COMMUNITIES AND NATIONS, CANNOT SOLVE THE DRUG PROBLEM ALONE, BUT ONLY IN CLOSE CO-OPERATION WITH THOSE SIMILARLY AFFLICTED INTERNATIONALLY, WE ATTACH GREAT IMPORTANCE TO THE EFFORTS OF THE UNITED NATIONS,+ THE SPOKESMAN SAID.

THE CONTRIBUTION, HE SAID, WAS ALSO A TANGIBLE RECOGNITION OF THE RESULTS WHICH HAD SO FAR BEEN ACHIEVED BY UNFDAC.

THE SPOKESMAN ALSO POINTED OUT THAT APART FROM CASH CONTRIBUTIONS, HONG KONG HAD ALSO BEEN MAKING A CONSIDERABLE CONTRIBUTION TO THE UNITED NATIONS IN KIND, BY PROVIDING TRAINING FACILITIES FREELY TO ANTI-NARCOTICS OFFICERS FROM OTHER COUNTRIES, WHO WERE SPONSORED BY THE UNITED NATIONS OR ITS AGENCIES.

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AUGUST WAS SUNNIER, WARMER AND DRIER THAN USUAL
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THE MONTH OF AUGUST WAS SUNNIER, WARMER AND MUCH DRIER THAN USUAL, ACCORDING TO THE ROYAL OBSERVATORY.

THE MONTHLY RAINFALL TOTAL OF 149.7 MM REPRESENTED ONLY 40 PER CENT OF THE AVERAGE AND RANKED AS EIGHTH LOWEST ON RECORD WHILE THE ACCUMULATED RAINFALL DURING THE FIRST EIGHT MONTHS OF THE YEAR WAS 1,054.3 MM, WHICH WAS 39 PER CENT BELOW NORMAL.

AUGUST SAW THE END OF A PARTICULARLY DRY 12-MONTH PERIOD WITH ONLY 1,325.0 MM OF RAINFALL RECORDED. THIS IS THE SECOND LOWEST ON RECORD FOR THE SAME PERIOD SINCE 1884.

THE MEAN TEMPERATURE OF 29 DEGREES CELSIUS AND THE MEAN MAXIMUM TEMPERATURE OF 32.1 DEGREES CELSIUS WERE BOTH THE SECOND HIGHEST ON RECORD FOR THE MONTH WHILE THE MEAN MINIMUM OF 26.8 DEGREES CELSIUS EQUALLED THE HIGHEST ON RECORD IN AUGUST 1962.

THERE WERE NO TROPICAL CYCLONES WHICH REACHED TYPHOON STRENGTH OVER THE SOUTH CHINA SEA AND THE WESTERN NORTH PACIFIC DURING THE MONTH ALTHOUGH TROPICAL CYCLONE WARNING SIGNAL WAS HOISTED FOR ONE OF THE THREE TROPICAL STORMS WHICH HAD SLIGHTLY AFFECTED HONG KONG'S WEATHER CONDITIONS.

DUE TO THE INFLUENCE OF THE REMNANT OF TYPHOON VERA, THE WEATHER IN HONG KONG DURING THE FIRST FOUR DAYS OF THE MONTH WAS CLOUDY WITH OCCASIONAL HEAVY SHOWERS AND SCATTERED THUNDERSTORMS.

THE MINIMUM TEMPERATURE OF 24.6 DEGREES CELSIUS RECORDED ON THE MORNING OF AUGUST 2 WAS THE LOWEST OF THE MONTH. IN ADDITION, OVER TWO-THIRDS OF THE MONTH'S TOTAL RAINFALL FELL DURING THESE FIRST FOUR DAYS.

THE WEATHER CLEARED DURING THE MORNING OF AUGUST 5 AND APART FROM SOME CLOUDY INTERVALS AND A FEW MORNING SHOWERS, CONDITIONS DURING THE PERIOD FROM AUGUST 5 TO AUGUST 19 WERE FINE AND SUNNY.

EARLY ON AUGUST 16, A TROUGH OF LOW PRESSURE FROM THE NORTH CROSSED HONG KONG BUT IT DID NOT CAUSE A SIGNIFICANT CHANGE IN WEATHER CONDITIONS.

DURING THE THREE DAYS FROM AUGUST 20 TO AUGUST 22, TROPICAL STORM AMY WAS LOCATED NEAR THE SOUTHERN TIP OF TAIWAN OVER THE SOUTH CHINA SEA AND CAUSED AN INCREASE IN CLOUDINESS AND A FEW LIGHT SHOWERS IN HONG KONG.

/AFTER AMY

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AFTER AMY RECURVED ON AUGUST 23, FINE, SUNNY AND HOT CONDITIONS RETURNED AND PREVAILED UNTIL THE END OF THE MONTH ALTHOUGH SOME CLOUDY INTERVALS AND A FEW ISOLATED SHOWERS ALSO OCCURRED.

THE MAXIMUM TEMPERATURE OF 34.9 DEGREES CELSIUS RECORDED ON THE AFTERNOON OF AUGUST 24 WAS THE HIGHEST OF THE MONTH.

DURING THE MONTH, NO AIRCRAFT WERE DIVERTED FROM HONG KONG INTERNATIONAL AIRPORT DUE TO ADVERSE WEATHER CONDITIONS AND NO FIRE DANGER WARNINGS WERE ISSUED. THUNDERSTORM OR THUNDERSTORM AND HEAVY RAIN WARNINGS WERE ISSUED ON SIX DIFFERENT DAYS.

LADY MACLEHOSE VISITS TEXTILE FACTORY

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LADY MACLEHOSE TODAY PAID WHAT SHE DESCRIBED AS A +VERY INTERESTING+ VISIT TO THE NANYANG COTTON MILL LIMITED AT KWUN TONG WHERE SHE SAW THE LATEST MACHINERY AND TECHNIQUES INVOLVED IN THE PRODUCTION OF YARNS AND FABRICS.

ACCOMPANIED BY THE MANAGING DIRECTOR, MR. Y.C. WANG AND OTHER SENIOR OFFICIALS OF THE COMPANY, LADY MACLEHOSE SPENT OVER AN HOUR TOURING THE MULTI-STOREY FACTORY. LADY MACLEHOSE SAW THE VARIOUS STAGES OF PRODUCTION OF LIGHT AND HEAVY WEIGHT FABRICS SUCH AS SHIRTINGS, RAINCOATS, TROUSERINGS, DENIM AND WORK-WEAR FABRICS.

LIKE SIR MURRAY, THE GOVERNOR, LADY MACLEHOSE MAKES PERIODIC VISITS TO FACTORIES TO SEE FOR HERSELF HOW HONG KONG'S INDUSTRY IS DEVELOPING.

THE NANYANG COTTON MILL EMPLOYS MORE THAN 1,600 WORKERS. ITS MAIN MARKETS ARE THE UNITED STATES, BRITAIN, AUSTRALIA AND EUROPE.

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WORK OF LABOUR DEPARTMENT OUTLINED

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THE LABOUR DEPARTMENT IS NOT A DEPARTMENT OF EMPLOYMENT, THE COMMISSIONER FOR LABOUR, MR. PETER WILLIAMS, SAID IN A TALK GIVEN TO THE HONG KONG MANAGEMENT ASSOCIATION THIS (MONDAY) EVENING.

MR. WILLIAMS GAVE A BROAD OUTLINE OF THE WORK OF HIS DEPARTMENT AND DESCRIBED HIMSELF AS THE PRINCIPAL ADVISER TO THE GOVERNMENT ON LABOUR MATTERS.

HE SAID THE LABOUR DEPARTMENT WAS ONLY INDIRECTLY CONCERNED WITH EMPLOYMENT POLICIES WHICH IN HONG KONG WERE RELATED CLOSELY TO ECONOMIC POLICIES.

MR. WILLIAMS ALSO CORRECTED A PUBLIC MISCONCEPTION THAT THE DEPARTMENT WAS STILL INVOLVED IN COLLECTING STATISTICS.

HE SAID: +ALL LABOUR EMPLOYMENT STATISTICS ARE COLLECTED AND PUBLISHED BY THE CENSUS AND STATISTICS DEPARTMENT TO WHICH SOME YEARS AGO WAS TRANSFERRED THE LABOUR DEPARTMENT'S STATISTICAL UNIT.

+THIS WAS DONE TO ACHIEVE GREATER EFFICIENCY, AND BECAUSE SOME PEOPLE CONSIDERED THAT SUCH A TASK SHOULD NOT BE CARRIED OUT BY A DEPARTMENT WITH RESPONSIBILITIES FOR ENFORCING LEGISLATION.+

THE COMMISSIONER ALSO DESCRIBED EACH OF THE 14 SERVICES OR UNITS OF HIS DEPARTMENT.

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MONDAY, SEPTEMBER 12, 1977

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AIR TRAFFIC CONTROL CHIEF TO RETIRE
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MR. R.J. CHEONG-LEEN, CHIEF AIR TRAFFIC CONTROL OFFICER OF THE CIVIL AVIATION DEPARTMENT WILL RETIRE FROM THE GOVERNMENT SHORTLY AFTER MORE THAN 24 YEARS' SERVICE.

TO MARK THE OCCASION, MR. R.E. DOWNING, DIRECTOR OF CIVIL AVIATION, WILL PRESENT A FAREWELL MEMENTO TO MR. CHEONG-LEEN ON BEHALF OF HIS FRIENDS AND COLLEAGUES AT THE DEPARTMENT'S HEADQUARTERS ON WEDNESDAY (SEPTEMBER 14).

STARTING HIS CAREER IN CIVIL AVIATION AS A FLIGHT RADIO OFFICER, MR. CHEONG-LEEN JOINED THE DEPARTMENT IN 1953 AS AN AIR TRAFFIC CONTROL SUPERVISOR, WAS SUBSEQUENTLY PROMOTED TO AIR TRAFFIC CONTROL OFFICER II IN 1959, AND TO AIR TRAFFIC CONTROL OFFICER I IN 1965. HE HAS BEEN HOLDING HIS PRESENT POST OF SUPERINTENDENT OF AIR TRAFFIC SERVICES SINCE 1973.

DURING HIS LONG YEARS OF SERVICE, MR. CHEONG-LEEN HAS REPRESENTED THE DEPARTMENT AT OVERSEAS CONFERENCE AND ACTED AS ASSISTANT DIRECTOR OF CIVIL AVIATION ON SEVERAL OCCASIONS.

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NOTE TO EDITORS:

YOU ARE WELCOME TO SEND A PHOTOGRAPHER TO COVER THE PRESENTATION CEREMONY WHICH WILL BE HELD IN THE CONFERENCE ROOM AT THE CIVIL AVIATION DEPARTMENT HEADQUARTERS, NEW RODNEY BLOCK, QUEENSWAY AT 12.15 P.M. ON WEDNESDAY (SEPTEMBER 14).

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MONDAY, SEPTEMBER 12, 1977

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SECTION OF BOUNDARY ST. TO BE TEMPORARILY CLOSED

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THE SECTION OF BOUNDARY STREET BETWEEN TAI HANG TUNG ROAD AND EMBANKMENT ROAD WILL BE TEMPORARILY CLOSED BETWEEN 11.55 P.M. ON WEDNESDAY (SEPTEMBER 14) AND 5.30 A.M. ON THURSDAY TO FACILITATE THE WORKS ON THE DOUBLE TRACKING OF THE RAILWAY BRIDGE ACROSS BOUNDARY STREET.

A SPOKESMAN FOR THE TRANSPORT DEPARTMENT SAID THAT THE CLOSURE WOULD BE EXTENDED FOR THE SAME PERIOD UNTIL FRIDAY (SEPTEMBER 16) IF FURTHER WORKS REQUIRED.

DURING THE ROAD CLOSURE SAI YEE STREET BETWEEN FLOWER MARKET ROAD AND BOUNDARY STREET, AND BOUNDARY STREET BETWEEN SAI YEE STREET AND TAI HANG TUNG ROAD WILL BE RE-ROUTED TEMPORARILY TWO-WAY.

AT THE SAME TIME THE FOLLOWING TRAFFIC DIVERSIONS WILL COME INTO FORCE:

- * EASTBOUND TRAFFIC ON BOUNDARY STREET WILL BE DIVERTED TO SAI YEE STREET, FLOWER MARKET ROAD, YUEN NGAI STREET, EMBANKMENT ROAD AND THEN BOUNDARY STREET=
- * WESTBOUND TRAFFIC ON PRINCE EDWARD ROAD GOING TO TAI HANG TUNG MAY TURN INTO TUNG CHOI STREET FROM PRINCE EDWARD ROAD AND THEN TO TAI HANG TUNG ROAD VIA BOUNDARY STREET= AND
- * TRAFFIC FROM TAI HANG TUNG ROAD GOING TO PRINCE EDWARD ROAD MAY GO WESTBOUND ON BOUNDARY STREET AND THEN TO PRINCE EDWARD ROAD VIA SAI YEE STREET, FLOWER MARKET ROAD AND YUEN NGAI STREET.

MOTORISTS ARE ADVISED TO DRIVE WITH EXTRA CARE WHEN PASSING THROUGH THE AREA AND APPROPRIATE TRAFFIC SIGNS WILL BE POSTED TO INDICATE THE TEMPORARY TRAFFIC DIVERSIONS.

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MONDAY, SEPTEMBER 12, 1977

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TODD ACTING SECRETARY FOR NT
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MR. DAVID AKERS-JONES, THE SECRETARY FOR THE NEW TERRITORIES, HAS GONE ON ANNUAL OVERSEAS LEAVE.

DURING HIS ABSENCE, MR. JOHN TODD, HIS DEPUTY, WILL ACT AS SECRETARY FOR THE NEW TERRITORIES.

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REGISTRATION OF PERSONS TEAM TO VISIT TUEN MUN
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A TEAM FROM THE REGISTRATION OF PERSONS OFFICE WILL BE STATIONED AT THE TUEN MUN RURAL COMMITTEE OFFICE FOR SEVEN DAYS LATER THIS MONTH.

THE TEAM WILL OPERATE AT THE OFFICE BETWEEN 9.30 A.M. AND 4.30 P.M. DAILY FROM SEPTEMBER 19 TO 23 AND AGAIN FROM SEPTEMBER 26 TO 27.

THE TEMPORARY REGISTRATION FACILITIES WILL BE CONVENIENT TO PARENTS OR GUARDIANS WISHING TO REGISTER THEIR CHILDREN OR WARD BETWEEN 11 AND 17 YEARS OF AGE FOR JUVENILE IDENTITY CARDS, AND TO HOLDERS OF JUVENILE IDENTITY CARDS REACHING THE AGE OF 18 TO REGISTER FOR ADULT IDENTITY CARDS.

ALL PERSONS LIVING IN THE AREA ARE REMINDED OF THEIR RESPONSIBILITY TO REGISTER THEMSELVES AND THEIR CHILDREN FOR IDENTITY CARDS, AND TO REPORT CHANGES IN THEIR EMPLOYMENT OR RESIDENTIAL ADDRESSES, MARITAL STATUS, OR ANY OTHER PARTICULARS WHICH HAVE CHANGED SINCE THEY REGISTERED FOR THEIR IDENTITY CARDS.

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