

# Analysts label employment, growth forecasts optimistic

By DUNCAN HUGHES

ECONOMISTS attacked the economic package for lacking direction and branded some of the key growth and employment projections questionable.

There was also general disappointment the Governor failed to use his address to unveil more short-term measures to stimulate economic growth.

They said while he had correctly identified a "feel-bad factor", he had overemphasised the impact of inflation, currently at 8.3 per cent, and underestimated the impact of unemployment.

The five per cent headline rate for year-on-year economic growth was also under pressure, economists said.

The Governor outlined a range of earlier initiatives from job retraining programmes to supervision of the financial services sector and re-emphasised the Government's commitment to economic growth and full employment.

An economist for Thornton Management, Clive McDonnell, said: "It is very, very overly optimistic."

In August, the Financial Services Branch downgraded the territory's 1995 Gross Domestic Product growth from 5.5 to 5 per cent.

But Mr McDonnell said that after stripping out the substantial inventory growth and accumulation of capital goods, the year-on-year growth could be about 3.5 per cent.

The real impact on unemployment of slashing the

Supplementary Labour Scheme quota by 20,000 to 5,000 was also queried.

Economics director of Deutsche Morgan Grenfell, Angus Armstrong, said any slack created in the workforce was likely to be absorbed by the increasing number of mainlanders allowed into the territory and the expected increase of foreign workers for the airport project.

"Without the measures announced yesterday, the unemployment would certainly be higher, but they have already been offset by increased immigration levels," he said.

"Overall, the economic direction is sound but the measures taken are designed for the long term."

Mr Armstrong noted the factors that had largely

caused the cyclical downturn - high interest rates and austerity measures on the mainland - were beyond the Governor's control.

He said: "It was going to happen anyway and there was nothing the Government could do about it."

An economist with W. I. Carr, Gilbert Choy, said: "If the Governor is adopting a hands-off approach, then it is a good policy. But I would have expected something positive to come out of the speech."

Mr Choy said the Government missed an opportunity to unveil a new unemployment relief and retraining package. Job matching and job creation were options.

"There was nothing positive. I am disappointed," he said.

# Historic sites to be restored

By a STAFF REPORTER

ARCHAEOLOGICAL sites, historic buildings and monuments will receive more care and attention from the Government after taking a back seat to Hong Kong's rapid development.

A survey will be conducted of archaeological sites and historic buildings throughout the territory over the next two years.

More historic buildings will be protected by being listed as monuments and more will undergo restoration, policy documents revealed.

The declaration of a building as a monument prevents owners from demolishing or renovating it without approval.

Hong Kong has 58 Chinese and Western buildings gazetted on their historic merits.

A survey of historic buildings and structures will be funded with a \$4 million grant from the Hong Kong Jockey Club Charities Trust.

The Government's archaeological team was promised extra resources.

This was to conduct more excavations and monitor sites, process finds and publish research papers.

But the additional funding was not as warmly welcomed as Governor Chris Patten would have hoped.

It brought a stinging attack from the Hong Kong Archaeological Society.

The society has been unsuccessfully fighting for increased funding.

"It's extremely frustrating to see them funnelling all the money into an organisation that doesn't deserve it," said chairman William Meacham.