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Economy + Finance

Economic growth expected to slow after 6.5pc surge in second quarter: Economic growth in HK is expected to slow in the second half of this year after healthy exports and domestic spending helped second-quarter gross domestic product expand by a better than expected 6.5 per cent year on year. The encouraging results prompted a one-percentage point rise in the official full-year growth forecast to between 5 per cent and 6 per cent. Despite some signs of optimism, HK is still far from shrugging off its recessionary woes. Financial Secretary John Tsang warned of an uncertain external environment, with Europe's sovereign debt crisis and the pace of economic recovery in the United States slowing down.

New steps to cool property market: The government and the banking regulator have moved again to rein in property prices. They have banned quick flat resales, vowed to put more land on the market and cracked down on mortgage lending for top-end properties amid evidence previous measures have not worked. The measures are attempts to address the public outcry over the continuing rise in flat prices, which in some large estates have passed their 1997 peak.

Time running out for deposit guarantee: Those who put their savings in banks are being reminded that a temporary government guarantee of all deposits will end on December 31. From the beginning of next year, the city's deposit insurance scheme will cover up to HK$500,000 per person per bank, five times the amount covered before the government launched its blanket guarantee in the face of the global financial crisis. The withdrawal of the guarantee is timed to coincide with similar moves by Singapore and Malaysia and signifies that uncertainty about the health of banks has diminished.

Delta pay rises worry HK plant owners: HK manufacturers are worried about escalating salaries in the Pearl River Delta region after the Foxconn saga, a trade group said after its survey found most firms still cannot get enough workers despite offering higher pay. Stanley Lau, deputy chairman of the Federation of HK Industries, said HK industrialists had increased workers' monthly wages from an average 1,200 yuan in 2008 to 1,750 yuan now. Lau expected salaries to climb further, by at least 10 per cent, next year if the mainland government again increased the statutory minimum wage, which was raised by about 20 per cent in May.

Minimum wage body 'calls for floor of HK$28': More than 300,000 low-paid workers will get a pay rise if Chief Executive Donald Tsang adopts the HK$28 hourly wage floor reportedly hammered out by the Provisional Minimum Wage Commission. The commission said it had made its unanimous recommendation to Tsang, who would make the final decision. It refused to disclose the amount, but a person familiar with the situation said it had advised HK$28 an hour.

Jobless rate down and tipped to keep falling: The labour minister says more jobs are likely to be created in the months ahead after the latest government figures showed the unemployment rate fell to 4.3 per cent in July. This was the lowest since December 2008, at the height of the global financial meltdown.

Domestic politics

Pan-democrats told to boost bargaining power: It would be meaningless for the Civic Party to contest the 2012 chief executive election if its candidate was just window dressing in an election where the public has no vote, vice-chairman Alan Leong said. Leong, who stood against Chief Executive Donald Tsang in 2007, urged pan-democrats to increase their bargaining power by winning as many seats as possible on the Election Committee, which will choose the city's next leader. Leong said that since the vote on constitutional reform, where the pan-democrats had been divided, securing enough nominations to field a chief executive candidate would be more difficult than ever. He said the pan-democrats should not give away their veto power on constitutional issues in the legislature - for which they will need 24 seats in 2012.

Election law review urged over foreign 'corporate electors': Calls are mounting for the government to review the election laws over a possible loophole which could allow foreign consulates here and representatives of agencies outside HK to vote in the city's legislative elections. At the centre of the issue are functional constituency elections, some of which require so-called corporate electors. Among eligible "voters" for the commercial (first) functional constituency are the Belgian consulate, Austria's representative office and the Xinhua sub-district office of Huadu district in Guangzhou, a Cable TV report said. The report said the de facto Taiwanese embassy in HK, the Kwang Hwa Information and Culture Centre was also a "voter" in the functional constituency covering sport, the performing arts, culture and publications. The report triggered calls by some pan-democrats for the abolition of functional constituency elections while some pro-Beijing lawmakers urged the government to try to plug the loophole.

Relations HK - Mainland China

Beijing official unaware of any move to resurrect security bill: Hao Tiechuan, director general of the department of publicity, cultural and sports affairs at the central government's liaison office in HK, said he was unaware of any plans to revive national security legislation under Article 23 of the Basic Law, amid intensifying speculation that the issue is about to reappear. But he said while the news media should monitor government, priority should be given during social unrest to helping authorities resolve crises.

International affairs

Chief Executive slams siege tactics: Chief Executive Donald Tsang criticised the handling of a hostage crisis in Manila on August 23 in which eight HK tourists were killed and two critically injured. Police commandos stormed the tour bus on which they were being held and shot the gunman in the head. "It is most regrettable. The way it was handled, particularly the outcome, I find it disappointing. I hope the Philippines government can give me a full account of what happened," Tsang said. The HK government has issued a black travel alert, warning against travel to the Philippines. Nevertheless, Tsang called for cool heads and a civil manner in the community. "I know for sure that the nearly 200,000 Filipinos who are working or settling in HK feel exactly the same way as everybody else about this incident," he said. "They share our sorrow and frustration. It is a time we should look for mutual support within the community, overcome this tragedy and make sure HK is still a thriving, peaceful, civil place."

Beijing's demand for full probe delays envoys: A high-level delegation of Philippine officials remained in Manila on August 26 instead of flying to Beijing, where the central government said it wanted a "thorough investigation" of the bus hostage crisis on August 23. Lacierda, Vice-President Jejomar Binay and Foreign Secretary Alberto Romulo planned to visit Beijing and HK on the orders of Philippine President Benigno Aquino to present the results of an investigation into the crisis, which ended in the deaths of eight HK tourists. Anger and frustration has been mounting in HK and on the mainland, with many accusing the Philippine police of handling the crisis unprofessionally. Ministry of Foreign Affairs spokeswoman Jiang Yu said on August 26 that the Chinese government believed the most important thing at the moment was to investigate the incident thoroughly. Jiang's remarks could be interpreted as a reason for delaying the trip.

Thousands demand Manila siege justice: Thousands marched in silence on August 29 to express their anger at Manila's handling of tour bus hijacking on August 23 in which eight Hongkongers were killed. The demonstrators demanded justice for the victims. It was organised by the pro-Beijing and pro-democracy camps in the Legislative Council, in a rare demonstration of unity. Addressing the crowd, Legislative Council president Tsang Yok-sing demanded a formal apology and compensation from Manila. "The way the Philippine government handled the incident was clearly very wrong. This led to the loss of lives of eight innocent HK people." He urged the HK government to request a bigger role in the investigation and offered full support to the victims' families. The legislature asked the government to devise a system to define its role in case of crises in overseas countries involving Hongkongers. Lawmakers also wanted the Philippine police to help in the investigation conducted by the HK police. The HK Government said that there was no anti-Philippines sentiment in the city and dismissed rumours that employers sacked Filipino maids to vent their anger over the Manila hostage bloodbath.

Transborder affairs

Finance chief's Taiwan visit paves way for annual talks: Financial Secretary John Tsang and his high-level HK delegation held a landmark meeting with senior government officials in Taiwan, paving the way for annual discussions. Although some may have harboured high hopes for the meeting, no concrete measures or policy initiatives were announced. The two sides simply agreed to continue discussions on Taiwan's long-standing call for a reciprocal visa waiver for visitors and the renaming of its representative body in HK. There was also similar progress on HK's plan to set up a government office in Taiwan and upgrade its tourism office there. The two sides identified seven areas - among them the avoidance of double taxation and the exchange of air traffic information - for greater co-operation.

Legal affairs and human rights

Pressure on judges, magistrates deplored: The Bar Association and Law Society said they deplored any attempt to bring public pressure on a magistrate or judge to change their mind in a review of sentence. They issued a joint statement expressing concern over recent public comments on the sentencing of Amina Mariam Bokhary for her third conviction of assaulting police. They said they were making the statement with a view to allaying any misgivings by the public and helping it to understand the court's approach. Magistrate Anthony Yuen sentenced Bokhary, a niece of Mr Justice Kemal Bokhary of the Court of Final Appeal, to a year's probation on August 2 for slapping a police officer after a car accident in Happy Valley on January 27. The sentence triggered a public outcry, with some saying it was too lenient and fearing HK's judicial system favoured the rich. At a review hearing, the magistrate upheld his decision to place Bokhary on probation. The Department of Justice has asked the Court of Appeal to review the sentence for assault and refusing to give a breath sample after an accident. Barrister and former lawmaker Martin Lee feared the public outcry might lead to mob rule.

Review of privacy law after Octopus cards uproar: The government is to review the privacy law, raising the possibility that the unauthorised use of personal data will be made a criminal offence. The privacy commissioner

may also be given more power to help victims of such breaches take their cases to court. Stephen Lam, the acting chief secretary, made the surprise announcement amid uproar over the revelation that Octopus Cards had made HK$44 million by selling cardholders' data. Octopus is said to be the world's most used smart card system. Under the law as it stands, it is not a criminal offence for data users to sell people's personal data without their consent and there is no penalty for the misuse of personal data in direct marketing.

Health

Health chiefs on alert for new superbugs: Health authorities are on full alert for new strains of drug-resistant superbugs in expectation of more cases in the city. The Centre for Health Protection will remind all public hospitals to test suspected cases of the New Delhi-Metallo-1 (NDM-1) gene and to immediately report to the centre if they are confirmed. The recently discovered gene can jump across different species of bacteria and is resistant to some of the most powerful classes of antibiotics, such as carbapenems, which is effective against a wide range of bacteria. Another major concern is the IMP-4 gene, which is resistant to imipenem, a strong antibiotic. Out of eight cases recorded in the city since the middle of last year, two had died, said Dr Thomas Tsang, controller of the centre. "You may describe it as a gene reshuffle [of the bacteria], that is why the issue has drawn widespread global concerns," Dr. Tsang said.

Environment

Welcome break as air quality best for 11 years: Long-suffering Hongkongers accustomed to covering their noses to ward off pollution had a welcome break last month. The air quality in July was the best recorded in 11 years and the trend has continued this month, apart from a short break early on. Steady winds from the south, where there are no pollution sources, and frequent heavy rain are the reasons for the clean air, environmentalists say.

Culture and education

End of an era in quest for academic excellence: More than three decades of swotting up on reams of notes and sitting a minimum of six subjects to qualify for a higher-level education in the city ended on August 4. The results of the last Form Five public exam - also known as the HK Certificate of Education Examination (HKCEE) – were released, drawing the curtain down on a citywide assessment system. From now on, pupils will stay in secondary school for a sixth year and sit for the HK Diploma of Secondary Education, which replaces A-levels. The two systems will operate in parallel until 2012.

Arts hub chief dismisses fears of design mishmash: The West Kowloon Cultural District Authority has brushed aside concerns that the final design of the arts hub will end up being a mishmash of incoherent elements. The final plan for the 42-hectare project would maintain the integrity of its original design, the authority's chief executive, Graham Sheffield, said. His comments came amid criticism that a final blueprint incorporating features of all three shortlisted proposals would result in the arts hub being an awkward mismatch. Three proposals have been submitted for an initial three-month city-wide public consultation. The proposals, from three renowned architects - HK's Rocco Yim, Britain's Norman Foster, and Rem Koolhaas from The Netherlands - all accentuate light, air and greenery, but in unique and novel ways. Chief Secretary Henry Tang, who is chairman of the authority's board, said the final plan would be "complete and organised". Only one plan would be chosen and a master planner would oversee execution of the whole project, he said.

Macau

Macau in US cross hairs over terror financing: A US State Department report has put the spotlight firmly on Macau after it was identified as a potential site for "terrorist financing activities". In its latest "Country Reports on Terrorism 2009", the US State Department notes several areas where the Macau authorities have made progress to counter money laundering and terrorist financing activities, but stresses that there is still a lot to do. "Macau's position as a major international gambling centre makes it a potential site for money laundering and terrorist financing activities," the US State Department said.

Varia

Sandwich generation in HK feel the burden: HK's "sandwich generation" are feeling the most financial pressure from taking care of their parents and children among those in the group across Asia, research has found. A report written by the Economist Intelligence Unit says 53 per cent of HK's "sandwich generation" were struggling to cope with the financial burden. The figure is the highest among Asian countries polled between April and May. Some 45 per cent of mainlanders said they also felt the same pressure, with the figure for Taiwan at 42 per cent, South Korea 26 per cent and Singapore 21 per cent.

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