

### Economy + Finance

**HK needs to double hotel rooms in 10 years:** The number of hotel rooms in HK needs to be almost doubled in the next 10 years as more tourists flock to the city, according to the head of a government economic task force. Jack So said a task force study had found tourist numbers would rise steeply in the coming decade, especially after the opening of the HK-Zhuhai-Macau bridge and the high-speed cross-border railway. So made his remarks at the commission's second meeting, which identified as another key issue the need to tackle a persistent drop-off in manpower after 2018, so it would not affect the city's economic development.

**Revised new town plan for New Territories unveiled:** The government has introduced significant changes to its HK\$120 billion new town project in the northeast New Territories. But the plans, under which one of the three proposed towns will be postponed while density of the others is increased, failed to impress villagers who threatened to occupy the HK Golf Club course at Fanling if they are displaced. Announcing the changes, Secretary for Development Paul Chan said the new towns belonged to Hongkongers and sales of the private flats might be restricted to them in future.

**'Strategic' new town Hung Shui Kiu picked as data hub, but villages to be cleared:** An 826-hectare plain bordering Tin Shui Wai has been earmarked for a "strategic" new town that will yield 60,000 homes, serve as a logistics hub and connect HK with Shenzhen. But the project, at Hung Shui Kiu in the northwest New Territories, is expected to encounter similar opposition to that facing another newly announced scheme in the northeast as about 1,400 village households will have to be displaced.

**HK travel agencies for mainland tourists may face tighter controls:** Travel agencies organising inbound tours from the mainland will bear the brunt of proposed reforms under which a new watchdog will be formed with the main task of tightening controls on the trade. These agencies will face a higher capital requirement - HK\$800,000 - should they wish to stay in the business. The proposals form part of a planned overhaul of the travel trade's regulation under which a new Travel Industry Authority would take over from the Travel Industry Council - a self-regulatory body formed by the trade. A government document outlining the reforms says the composition of the council was designed "to ensure credibility and impartiality".

**Hutchison Whampoa denies it plans to quit HK amid speculation over possible ParknShop sale:** Billionaire Li Ka-shing's conglomerate Hutchison Whampoa said it had no intention of withdrawing from HK, despite launching a review that could lead to the sale of its ParknShop supermarket chain. Li denied it was related to the political situation or public opinion of Chief Executive Leung Chun-ying. ParknShop operates 345 stores - more than 270 of them in HK - and employs about 13,000 staff in HK, Macau and on the mainland. The supermarket chain reported revenue of HK\$21.7 billion last year.

**Legco told World Trade Organisation quiet on formula export ban:** A two-tin limit on infant formula carried by outbound travellers had not drawn any queries from the World Trade Organisation in the first four months of its implementation, lawmakers heard. The restriction, which aims to curb cross-border parallel-goods trading, had given rise to concerns that the city might be breaching international trade laws by blocking commercial exports. The change in export law took effect on March 1 and HK notified the global trade body the following month, the Food and Health Bureau said. Earlier this year, the bulk transport of baby milk powder to the mainland was blamed for a severe local shortage of several brands of formula.

### Domestic politics

**March sees storm clouds gather for CY Leung:** Hundreds of thousands took to the streets on July 1, braving heavy rain to demand universal suffrage and the resignation of Chief Executive Leung Chun-ying a year after he took office. Amid an array of demands - from gay rights to animal rights - most protesters shared common causes, waving flags that read "Occupy Central" and chanting slogans including "Down with C.Y.". March organiser the Civil Human Rights Front held a rally at the finishing point in a gesture of support for the Occupy Central plan, scheduled for July next year as a last push for democracy. University of HK law academic Benny Tai, who proposed the act of civil disobedience, said: "Today's challenge ... is whether you are willing to go beyond yourself and pay [a price for democracy]." Pan-democratic lawmaker Lee Cheuk-yan said the anger and discontent directed at Leung was unprecedented. The chief executive said the government would listen carefully to the various demands aired during the march. Ahead of the march, central government liaison office director Zhang Xiaoming said what the city needed was "peace, rationality and positive energy". He said: "[The fact] so many people take to the streets illustrates that HK enjoys sufficient rights and freedom under 'one country, two systems'."

**2017 proposals to elect chief executive may not be in line with Basic Law:** Key Beijing-loyalist lawmakers are taking a cautious approach to pan-democratic proposals for electing the city's next leader by universal suffrage in 2017. At the centre of the debate is a suggestion to let 3.2 million ordinary voters citywide nominate, on top of voting for, their leader by 2017, through an exercise to garner signatures from 2 per cent of that population. Earlier, Beijing-loyalist lawmakers warned that the idea might conflict with the Basic Law or the stance the national legislature took in 2007, dimming its prospects of winning enough backing in the Legislative Council.

The Alliance for True Democracy, comprising 26 of the 27 pan-democratic lawmakers, presented the proposals on July 10, saying they were drafted to meet world standards of democracy.

**CY Leung won't be drawn on PLA help for Occupy Central:** Chief Executive Leung Chun-ying sidestepped a lawmaker's question on whether he would seek help from the People's Liberation Army to control Occupy Central protesters during their planned mass civil disobedience movement next summer. In his Legislative Council question-and-answer session on July 11, Leung also brushed aside calls for early consultation on universal suffrage for the 2017 chief executive election.

**CY Leung defends his development chief after farmland exposé:** Chief Executive Leung Chun-ying came to the defence of his embattled development minister Paul Chan, saying Chan had met all the requirements in declaring interest in an agricultural plot. Chan is facing calls to resign after a media exposé forced him to admit his family's interest in farmland that lies within a government new town development project. The minister in charge of the project had not disclosed this interest until an *Apple Daily* report on July 22. Members of the League of Social Democrats and the Democratic Party lodged complaints against Chan with the Independent Commission Against Corruption.

**CY Leung's credibility gap yawns as even allies cool on him:** Chief Executive Leung Chun-ying's approval rating has sunk to a new low, and a record high proportion of people are unhappy with the performance of his administration, according to the latest round of the Chinese University of HK tracking poll. Only 15.8 per cent of respondents were satisfied with the performance of Leung's administration, and 37 per cent of people said they do not trust the government. Leung's rating is the worst since he succeeded Donald Tsang Yam-kuen as chief executive last July. Pollsters attributed the poor scores partly to the recent controversy over Secretary for Development Paul Chan's land interests. And Beijing-friendly legislator Wong Kwok-hing, of the Federation of Trade Unions, told Leung not to expect much help from the pro-establishment camp with either Chan's land issue or his dwindling credibility.

### Relations HK - Mainland China

**Beijing liaison chief hints at screening of CE candidates:** Beijing's top man in HK has dropped the clearest hint yet that a screening mechanism could play a role in selecting future chief executives. Zhang Xiaoming, director of the central government's liaison office in HK, also said that national sovereignty and security must be protected as the city achieves universal suffrage by 2017. During a lunch with 50 lawmakers on his unprecedented visit to the Legislative Council, Zhang delivered strong messages in a friendly and sometimes jocular tone. But he took a tougher line, slamming the Occupy Central civil disobedience campaign, which he said would be a disaster with "lasting consequences" for HK. But Occupy organiser Benny Tai hit back, saying Zhang did not understand the concept of civil disobedience. Tai, an associate professor of law at the University of HK, said the campaign, which aims to bring Central to a standstill next July if the government has not presented a plan for true universal suffrage, would prompt a change to the political system and push to a fairer society.

**Beijing won't be forced into suffrage:** The central leadership would not allow itself to be forced into introducing universal suffrage that met international standards, a Hong Kong member of the nation's top legislature has warned. And the Occupy Central civil disobedience action would only end up being an act of "self-mutilation" on the city, said Rita Fan, a member of the National People's Congress Standing Committee.

### Legal affairs and human rights

**Government sets aside HK\$450m to sponsor torture claimants:** The government has earmarked HK\$450 million this year to sponsor torture claimants and asylum seekers stranded in HK, partly due to a "broken" screening system. Critics say public money could have been saved if the city had introduced a more efficient system to avoid cases piling up. Under the present system, people seeking refuge may apply to the Immigration Department to make a claim that they face torture if returned home, or to the UN High Commissioner for Refugees for refugee status. Some apply for both. The government plans to expand the torture claims assessment mechanism to cover refugee claims by the end of the year. The move follows a Court of Final Appeal ruling in March that said the government must not rely on the UN agency to determine a person's refugee status.

**Firms amend misleading ads as new HK law kicks in:** From beauty parlours to restaurants to tour agencies, firms in the services sector are revising their practices as new consumer protection laws kick in (July 19). The amended Trade Descriptions Ordinance bans all forms of false descriptions of goods and services. Omitting important charges and adopting aggressive sales tactics are also illegal under the new law. Those who flout the law can be jailed up to five years and fined up to HK\$500,000.

### Health

**H7N9 is most adapted bird flu for human-to-human transmission, say experts:** The new H7N9 virus that has emerged on the mainland in recent months is more likely to be transmissible between humans than any other known bird flu virus, Chinese and world experts have concluded after investigations in affected areas. They based their conclusion on the fact that the virus has caused more human infections in a shorter period than any other bird flu virus, and that it has undergone genetic changes that suggested it is better adapted to infecting humans. "The virus appears to be very transmissible from poultry to human, implying that it could more easily become transmissible between humans," said Professor Malik Peiris, head of virology at the University of HK and one of 14 experts who took part in the study.

**Dengue fever threat overshadows summer:** The Centre for Health Protection is on the alert for another mosquito-transmitted disease amid a Japanese encephalitis scare: dengue fever. The centre's medical and health officer, Dr Wong Ka-man, warned the city to be ready for an outbreak as mosquito activity was on the rise.

Wong said: "We should also be on the alert for dengue fever, as it is more active in Asia this year than last year." So far this year there have been 39 confirmed cases of dengue fever in HK, all contracted outside the city. There were two reported cases of deadly Japanese encephalitis in July.

### **Environment**

**Rubbish recyclers may get subsidies in waste policy overhaul:** Subsidies for the city's flagging waste recycling industry are an option that the government will study, the environment minister says, in a possible major policy shift to support such businesses. The idea was unveiled on July 2. A new high-level steering committee, to be chaired by Chief Secretary Carrie Lam, would examine whether and how to offer the subsidies, said Secretary for the Environment Wong Kam-sing. The committee, to be formed within months, will look at rubbish management on all fronts, from land use and planning to government procurement and manpower to help the recycling industry. In particular, it will look at whether the trade should be subsidised.

**All three landfill expansion plans to be resubmitted to Legco:** The plan to expand the landfill in Tseung Kwan O is to be resubmitted to the Legislative Council, along with expansion proposals for landfills in Tuen Mun and Ta Kwu Ling, after the legislature's summer recess, Chief Secretary Carrie Lam said. Lam's announcement came after Legco passed a motion on July 12 to adjourn debate on funding to extend the landfills in Tuen Mun and Ta Kwu Ling. The Tseung Kwan O proposal had been shelved earlier after residents expressed strong opposition to it. Lam said that the government would visit the districts and gather more residents' views on the expansion plans in the coming months.

**Plan to charge households, businesses for rubbish disposal:** At least a fifth of the city's waste can be diverted from landfills if refuse charging is widely adopted by 2016, the undersecretary for the environment says. Making households and businesses pay for rubbish disposal is under serious consideration, Christine Loh said, as the city struggles to reach agreement on landfill extensions and the introduction of incineration. Loh said waste could be reduced by at least 20 per cent by 2020, assuming a charge was introduced across the board from 2016. Next month the Council for Sustainable Development will launch a four-month consultation to gauge views on how to implement waste charging.

**Islanders' bid to halt Shek Kwu Chau incinerator fails:** A Cheung Chau resident lost his legal battle to stop the government building a massive offshore waste incinerator on an island south of Lantau. Secretary for the Environment Wong Kam-sing said the court's decision reaffirmed the objectiveness and transparency of the impact report, which was filed by the Environmental Protection Department. The government would retable the project in the Legislative Council "at a suitable time", Wong said. Wong declined to give an estimate on how much the projected costs had risen since then, but appealed for public support as an incinerator could take as long as eight years to build.

### **Culture and education**

**HK\$1,000 10-year rent deal for US college:** A top American business school is set to relocate its Singapore campus to HK next year after the government offered it a 17,000 sq ft heritage building on Mount Davis for a one-off premium of just HK\$1,000. The grade-three historic building has been set aside by the government on a 10-year renewable lease for the University of Chicago Booth School of Business, pending clearance from town planning and other bodies. A key reason behind the move is HK's proximity to the mainland and other important markets in the region. "We are looking for greater presence in North Asia. HK's proximity to [the mainland], the world's second-largest economy, is particularly attractive," said William Kooser, associate dean of the programme.

**More HK students chase university places this year:** Competition for university places is tougher this year than last, as more secondary school students have achieved the minimum requirements for admission in the HK Diploma of Secondary Education (HKDSE) exam. Statistics released by the HK Examinations and Assessment Authority showed that of 82,283 students who took HKDSE exams this year, 28,418 obtained the minimum score for about 15,000 government-subsidised first-year university degree places through the joint admission system. It means that more than 13,000 students will have to pay more for full-fee private courses, opt for sub-degree programmes or look elsewhere.

**Joy as government rejects St Paul's girls' school bid to charge tuition fees:** The Education Bureau has turned down an elite government-aided school's bid to join the Direct Subsidy Scheme and start charging tuition fees. The decision was greeted with joy by former pupils of St Paul's Secondary School who had fought the plan. If the application had been accepted, parents would have faced fees of up to HK\$24,500 a year. Opponents argued the scheme would stop children from poorer families attending the school. Under the Direct Subsidy Scheme, schools receive a lump-sum government subsidy and can establish their own curriculum and set tuition fees. As a government-aided school, St Paul's is run by a voluntary body but is fully funded by the government; it offers free tuition, but it must follow the curriculum recommended by the government.

### **Press articles related to Switzerland and Swiss matters**

**China and Switzerland sign free-trade pact (SCMP, July 7):** China and Switzerland signed a free-trade agreement (FTA) - Beijing's first with a nation in continental Europe - in a deal that comes against a backdrop of trade tensions between the Asian giant and the European Union (EU). The deal would facilitate Switzerland's efforts to become an offshore yuan trading centre in Europe, competing with Frankfurt and London to corner trade in the currency. "It is in Swiss interest to have a renminbi hub in the centre of Europe.....This free-trade agreement has an important significance for the relationship between the two countries," Swiss Economy Minister Schneider-Ammann said.

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