



May in Hong Kong

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A condensed press review prepared by the Consulate General of Switzerland in HK

Economy + Finance

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Economy + Finance

'Fed up, angry and about to explode': Hong Kong May Day marchers call for improved labour rights and higher minimum wage (SCMP, May 2): Thousands of labour activists and protesters from rival political camps marched to fight for a range of improvements to workers' rights, such as a higher minimum wage, legal limits on working hours and a hiring quota for disabled workers. In a statement, a government spokesman said it would continue to listen to views and take into account "employees' interest and employers' affordability" when making labour policies. On working hours policy, the spokesman said that there was no "broad-based consensus" on a statutory level. The government would opt to "focus efforts on formulating working hours guidelines" instead.

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Record HK\$341.4 billion in tax revenue for Hong Kong tops last year's high, but rosy results will not last (SCMP, May 3): Hong Kong's tax revenue hit a record HK\$341.4 billion (US\$43.5 billion) in the past financial year, surpassing the previous high largely on the back of a 20 per cent surge in profits tax. But the buoyant wave will not last, according to tax officials, who forecast a 2 per cent drop in revenue for the 2019-20 financial year. The government has also presented a gloomier economic outlook. Commissioner of Inland Revenue Wong Kuen-fai said the slight drop projected in tax revenue took into account a number of factors, such as external economic elements, local economic outlook, past transactions and turnover figures for the property and stock markets.

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Hong Kong's status as global aviation hub in Greater Bay Area unbeatable even with Shenzhen as rival, finance chief Paul Chan says (SCMP, May 8): Hong Kong has been designated as a global aviation hub over rival Shenzhen under China's ambitious plan to develop an economic powerhouse in the Pearl River Delta, according to the city's financial secretary Paul Chan. He said the blueprint for the Greater Bay Area clearly differentiated Hong Kong from the 10 other cities in the cluster, and that local authorities were pushing for high value-added air cargo and logistics services.

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Trade war risks and mainland Chinese stock trades have Hong Kong keeping a wary eye on financial security, says treasury chief Paul Chan (SCMP, May 8): Hong Kong is keeping a keen eye on financial security after an unprecedented flow of capital through the city into the mainland China stock market and the mounting risks posed by the US-China trade war, the financial secretary has said. While overall financial risks are "manageable" for now, he said the city had put a closer watch on any capital flight arising from the chain effect of the fickle negotiations of the trade war, interest rate changes or nominalisation and changes in Hong Kong's economic health. As a key measure to mitigate financial risks, Chan said the government closely monitored the health of the banking sector by ensuring banks had sufficient liquidity and working capital, good asset quality and smooth settlement of stock trading.

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Hong Kong's property market has 10 more years in its bull run as population inflow from Greater Bay gives it sustenance (SCMP, May 10): Hong Kong's property bull market has another 10 years to run, as housing supply fails to keep up with the new population pouring in from the Greater Bay Area, said the Swiss bank UBS, which correctly picked the bottom in the city's short-lived price correction last year. Home prices will continue spiralling upwards as buyers compete to get their hands on residential property, according to UBS. Hong Kong's annual housing stock is estimated at 45,000 homes a year, 25 per cent short of UBS' calculation. The Greater Bay Area, a cluster of 11 southern Chinese cities including Hong Kong and Macau, "should enhance integration [within] the area through improving software and hardware, lowering transaction costs and boosting economic activity. We believe this will benefit Hong Kong property."

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Hong Kong's billionaire class shrinks the most as trade war wrought havoc on global markets, wiping out worldwide fortunes (SCMP, May 11): Hong Kong's class of US dollar billionaires lost US\$56 billion last year, or 17.5 per cent of their combined fortunes, as the US-China trade war wrought

havoc on global markets and commerce. The number of billionaires declined to 87 in Hong Kong last year, with their combined wealth shrinking to US\$259 billion, according to the 2019 survey by Wealth-X. That decline, the steepest annual drop out of 15 global cities where billionaires live, left Hong Kong in second place behind New York as home to the world's biggest population of billionaires, Wealth-X said.

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Support for Hong Kong exporters extended amid US-China trade war and new Trump tariffs, says commerce chief Edward Yau (SCMP, May 11): Relief measures to help Hong Kong exporters weather the US-China trade war will carry on into next year after Washington upped tariffs on US\$200 billion of Chinese exports, with one business leader predicting a drop in trade orders of up to a fifth. Hong Kong's commerce minister Edward Yau announced the extension of the discounted exporters' insurance after meeting representatives of the business sector. Economist Andy Kwan, director of the ACE Centre for Business and Economic Research, said the new tariff's likely impact on the city's GDP would be manageable, and he expected second-quarter growth of about 0.8 per cent to 1 per cent.

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Escalation in US-China trade war is more bad news for Hong Kong's ailing truckers and will also hurt city's tourism trade, industry leaders warn (SCMP, May 15): The escalation in the trade war between the United States and China means more bad news for Hong Kong's beleaguered logistics sector and will hurt the city's tourism in a domino effect as the two pillar industries become the first to react to the unfolding turmoil. Stanley Chiang, chairman of Lok Ma Chau China-Hong Kong Freight Association, said drivers had told him business was down by as much as 50 per cent compared with last year. The Hong Kong Tourism Board, meanwhile, warned the trade war would hurt other economies in a domino effect. "When economies are affected negatively, travellers may cut the number of trips, say from five to two or three and cherry-pick destinations," said Pang Yiu-kai, the new chairman of the city's tourism promotion body.

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Hong Kong may need an extra 250,000 workers within 8 years – but where will they come from? (SCMP, May 17): Hong Kong will be short of more than a quarter of a million workers by 2027, mainly because of an ageing population and low birth rate, according to worst-case projections in a government workforce report. Although the report anticipates the steady growth of such sectors as information and communications, professional and business services – which generally require skilled or educated employees – it also projects there will be 16,300 more postgraduate-level workers than needed by 2027. Some pro-business lawmakers said the report made a strong case for importing workers. With a greying population, some 24.4 per cent of the overall workforce will be aged 55 or above in 2027, against 21.3 per cent in 2017.

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US-China trade war and Brexit casting shadow over Hong Kong economy, warns government as revised data shows GDP year-on-year growth at just 0.6 per cent for first quarter (SCMP, May 18): Hong Kong's economic future is in limbo and dependent on US-China trade war negotiations, the government has said after the city's GDP growth was revised to 0.6 per cent in the first quarter, the slowest quarterly increase in a decade. Andrew Au, a government economist, said uncertainties escalated after the United States and China raised tit-for-tat tariffs on each other last week, in addition to other geopolitical tensions. The government maintained the full-year economic growth forecast at 2 to 3 per cent. "Apart from US-China trade tensions, other external uncertainties, such as Brexit, geopolitical tensions and domestic politics in some advanced economies also warrant attention," Au said.

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Extended US-China trade war may see Hong Kong employers hold back on hiring, say recruiters (SCMP, May 20): Hong Kong's strong employment market could take a hit from an extended US-China trade war, headhunters said. Manufacturing, freight, and re-export businesses are likely to bear the brunt if the two nations are unable to reach a truce, but technology and financial services sectors are expected to remain unscathed, buoyed by government incentives and investment in Greater Bay Area development, the recruiters said. "In general, most companies will be very cautious in making big investment plans including big numbers of new recruits at the moment. It's a very, very cautious situation," said Felix Lee, head of KPMG China's executive search and recruitment services, noting that the employment outlook for 2019 remains positive.

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Hong Kong's expat workers enjoy better pay packages as perks including rental and school fee allowances improve (SCMP, May 22): Hong Kong's expatriate workers took home bigger pay packages in 2018, making the city the fourth most financially attractive place behind Japan, mainland

China and India in the Asia-Pacific region for foreign talent to work, a survey has found. Expats in the city received a 3 per cent pay rise on average, or about HK\$61,600 (US\$7,902) more in their overall annual pay package last year, according to the survey by ECA International. Foreign nationals working as middle managers were offered HK\$2.16 million (US\$276,000) on average, inclusive of benefits such as housing subsidies.

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US-China trade war hits Hong Kong hard, with imports and exports continuing to slide in April (SCMP, May 28): Hong Kong felt more pain from the US-China trade war in April when exports were revealed to have dropped by a worse-than-expected 2.6 per cent on the same time last year. It was the sixth month in a row they had fallen, with more trouble expected in the coming months. Imports fared even worse, down 5.5 per cent in April year on year, having contracted for five straight months, the Census and Statistics Department said. A Hong Kong government spokesman said the city's exports were weighed down by the continuing trade war, a weakened global economy and geopolitics. In the first four months of this year, exports declined 2.5 per cent over the same period in 2018 while imports were down 3.7 per cent.

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Singapore leapfrogs over Hong Kong and US to become world's most competitive economy (SCMP, May 29): Singapore leapfrogged Hong Kong and the US to take the top spot among the world's most competitive economies for the first time in nine years. The Switzerland-based IMD Business School said in its annual rankings. Asia-Pacific economies performed particularly well, with 11 of 14 in the region either improving or maintaining their rankings. Hong Kong, in second place, was credited with a "benign tax and business policy environment" and access to business finance. The rankings, which started in 1989, assess 63 economies on 235 indicators.

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Domestic politics

Pro-establishment lawmakers urge Carrie Lam to back down on controversial extradition bill; adviser says safeguards can be added (SCMP, May 2): Hong Kong's leader faced more calls to back down on a controversial extradition bill as Ronny Tong, one of her own advisers, said more safeguards could be introduced to allay public concerns while pro-establishment lawmakers demanded she shelve the plan or at least not rush it through. Pressure continued to mount on Carrie Lam after tens of thousands of Hongkongers took to the street to oppose the government proposal, which would allow the transfer of fugitives to any jurisdiction the city lacks an extradition deal with, including mainland China. Michael Tien became the first pro-establishment lawmaker to officially write to Lam demanding the bill be scrapped. Liberal Party leader Felix Chung also urged Lam not to push through the bill by July – a deadline set by the government – because it would only stir up more controversy and opposition.

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Carrie Lam sticks to her guns on Hong Kong's controversial extradition bill, but government will hear public concerns (SCMP, May 7): Hong Kong's leader has ruled out changing the government's contentious extradition proposal, but said her top legal and security ministers will be responding to the public's concerns to "facilitate discussions". Chief Executive Carrie Lam also said she was willing to talk to opposition lawmakers and called for their cooperation, with the pro-democracy camp's filibustering having stalled the legislative process since last month. The bill is strongly opposed by critics who distrust the legal system in mainland China and fear Hongkongers and others living in the city might be victimised for political reasons.

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Legco secretary general sidesteps calls to resign over removal of pan-democrat bills committee chairman James To, insisting he did everything by the book (SCMP, May 8): The chief administrator of Hong Kong's legislature has shrugged off calls to resign, insisting his office remained politically neutral during the ousting of a pro-democracy member as chairman of a key committee. Kenneth Chen was under pressure after the pan-democratic camp accused him of exceeding his powers to help the pro-Beijing bloc unseat the Democratic Party's James To from presiding over the panel vetting a controversial extradition bill. To was a key player in the opposition's filibuster. He maintained his decision was based on the Legco rule book and its conventions. Chen also stressed the secretariat had always been neutral. Legco has been plunged into a dramatic struggle between the opposing camps over the proposed new law, which would allow case-by-case transfers of fugitives to jurisdictions Hong Kong has yet to sign formal extradition agreements with, including mainland China and Taiwan.

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International Chamber of Commerce – Hong Kong calls on government to halt extradition bill, saying global companies might -reconsider locating offices in the city (SCMP, May 9): The International Chamber of Commerce – Hong Kong (ICCHK) has urged the government to -abandon its

controversial -extradition bill, saying the amendments to the fugitive law would force businesses to reconsider if they should locate their regional offices in the city. In a letter to lawmakers on Wednesday, the ICCHK complained that the government's public consultation period was too short for an issue that so deeply affects life and work in the city. A spokesman for the Hong Kong government said the proposed amendments were meant to protect the law-abiding general public in Hong Kong.

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Taipei will not agree to transfer of Hong Kong murder suspect if Taiwanese citizens risk being sent to mainland China (SCMP, May 10): Taipei has said it will not agree to the transfer of a murder suspect if Hong Kong's controversial extradition proposal puts Taiwanese citizens at risk of being sent to mainland China. Hong Kong officials had stressed the urgency of passing the bill – which would allow the transfer of fugitives to places with which Hong Kong does not have an extradition agreement – so they could send Chan Tong-kai to face charges related to the murder of his girlfriend in Taiwan last year. Taiwan's Mainland Affairs Council, which is in charge of dealings with mainland China, said there would be no transfer even if the bill passed as long as the concerns were not addressed. "Without the removal of threats to the personal safety of [Taiwan] nationals going to or living in Hong Kong caused by being extradited to mainland China, we will not agree to the case-by-case transfer proposed by the Hong Kong authorities," the council's deputy minister Chiu Chui-cheng said.

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Security guard accuses bosses in Hong Kong Legco of making staff declare political allegiance (SCMP, May 10): The Legislative Council Commission, which oversees all administrative operations, announced the investigation after a security guard complained she and her colleagues were asked to fill in a form two years ago to indicate whether they belonged to the "yellow" or "blue" ribbon camps. Yellow and blue ribbons symbolised the pro-democracy and pro-establishment camps during the 79-day Occupy protests in 2014 which brought parts of the city to a standstill. Legco president Andrew Leung, who chairs the commission and which consists of up to 13 lawmakers, pledged to treat the complaint "with utmost seriousness". The security guard, who started working at Legco in 2016 but resigned recently over alleged discrimination for not declaring her stance, filed the complaint.

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Mainland Chinese officials come out in support of Hong Kong's controversial extradition law (SCMP, May 11): Zhang Yong, vice-chairman of the Basic Law Committee, and Chen Dong, deputy director of Beijing's liaison office in the city, voiced support for a contentious extradition bill in Hong Kong on Saturday, echoing the local government that it was urgently needed to close legal loopholes and bring justice to the victims of crime. Zhang cited reasons, including that Taiwan was considered part of China. "Article 95 of the Basic Law clearly provides that Hong Kong can maintain juridical relations with other parts of the country and they may render assistance to each other," Zhang said, adding that the scope of the clause included Taiwan. Chen of the liaison office added that, under the principle of "one country two systems", Hong Kong and the mainland should not only respect differences in their legal systems and jurisdictions, but also strengthen mutual legal assistance.

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Hong Kong government condemns 'disorderly and uncontrollable conditions' after Legco chaos halts meeting of committee reviewing extradition bill (SCMP, May 11): The Legislative Council descended into unprecedented chaos when the two rival camps clashed during a meeting on the contentious extradition bill, in what the government condemned as "extremely disorderly and uncontrollable conditions". Both the pro-establishment and the pan-democratic camps later filed reports with police about the clash, which forced the meeting to adjourn and left a lawmaker hospitalised and at least three others claiming injuries. The clash broke out as the pro-democracy and pro-government camps called separate meetings of a Legco committee that scrutinises the bill.

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Hong Kong leader stakes credibility on extradition bill – but impasse continues in Legislative Council (SCMP, May 15): Chief Executive Carrie Lam is going all out to push her controversial extradition bill through the city's legislature, instructing top officials to present a united front in backing it publicly and reminding them that her credibility and ability to govern are on the line, according to sources. She is facing her worst political crisis since taking the top job nearly two years ago, but expects to secure enough votes from her allies in the Legislative Council to pass the bill, which would allow the transfer of fugitives from Hong Kong to other jurisdictions with which the city has no extradition deal – including mainland China. After unprecedented clashes in Legco between pro-establishment lawmakers and their opposition rivals on May 11, as both sides tried to take control of the committee that would scrutinise the bill, attempts to hold another formal meeting on May 14 were abandoned with neither camp willing to compromise.

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Hong Kong extradition bill: fears over mainland China's judicial system need to be addressed, says Zhang Xiaoming, Beijing's top official for the city (SCMP, May 16): China's top official in charge of Hong Kong affairs has urged both the local and central governments to do more to allay fears in the city over the controversial extradition bill, as 12 legal heavyweights jointly expressed "dismay" at the government's insistence on pushing it through the legislature. Zhang Xiaoming, director of the State Council's Hong Kong and Macau Affairs Office, also called for rational debate over the bill as he met a delegation led by Ronny Tong, a cabinet adviser to Chief Executive Carrie Lam. In a press release from his office, Zhang said the amendment was "necessary", and highlighted three points to follow: safeguard the rule of law and justice; restore reason and professionalism; and respect "facts" and the mainland system under the governing principle of "one country, two systems".

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Hong Kong airport's third runway project to get help with sand supplies from Guangdong and Guangxi provinces, city leader Carrie Lam says (SCMP, May 17): Chief Executive Carrie Lam said neighbouring provinces would help with sand supplies for the expansion, as she unveiled a raft of measures to get started on cross-border integration under the Greater Bay Area project. Lam spoke after leading an official delegation to this year's Hong Kong/Guangdong Cooperation Joint Conference. Apart from the airport project, she also announced initiatives such as co-organising arts and technology festivals, and measures to follow-up on earlier policy pledges ranging from improved cross-border transport links, greater access for Hong Kong universities and start-ups to provincial funds, and opening up public service posts to Hongkongers.

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Beijing's top man in Hong Kong lashes out at international critics of contentious extradition bill and vows to 'take them on all the way' (SCMP, May 18): Beijing's top representative in Hong Kong has launched an unprecedented broadside at international critics of the city's controversial extradition bill, accusing them of ganging up against China and vowing to "take them on all the way" to protect the country's sovereignty. Several sources said Wang Zhimin, director of Beijing's liaison office in the city, was defiant and combative over the issue in a meeting with more than 250 local loyalists, mostly deputies to the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC). The sources said Wang categorically ruled out any alternative or amendment to the contentious bill. Counter proposals such as putting suspects wanted overseas on trial in the city only, expanding Hong Kong's judicial power and shelving the bill altogether were not feasible, Wang insisted.

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Hong Kong's special status must remain a shield for the city as US-China trade war intensifies, says American Chamber of Commerce chief Tara Joseph (SCMP, May 20): A special arrangement under which the United States treats Hong Kong differently on politics, trade and diplomacy from the rest of China is important for the city and must be preserved despite mounting pressure to change that status, according to Tara Joseph, president of the American Chamber of Commerce (AmCham) in Hong Kong. She warned that any changes to the arrangement – which is covered by the US-Hong Kong Policy Act – would be damaging. The arrangement differentiates Hong Kong from mainland China, which means US tariffs on Chinese goods covered in the trade war do not automatically apply to the city. It also allows Hongkongers to apply for US visas independently, permits the city to buy sensitive technologies under US export controls, and ensures free exchange between the US dollar and Hong Kong dollar.

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Beijing declares full support for Hong Kong leader Carrie Lam over controversial extradition bill (SCMP, May 22): Beijing has issued a strong endorsement of Hong Kong's leader over her controversial extradition bill, with Vice-Premier Han Zheng becoming the most senior Chinese official to weigh in and voice the central government's full support for changing the city's fugitive transfer law. Han, China's point man on Hong Kong and Macau affairs, said the bill being pushed by Chief Executive Carrie Lam's government would help the city to demonstrate the rule of law and justice. While Lam has made the bill a matter of her credibility and ability to govern, she insisted Beijing's involvement was only natural after foreign powers turned it into a sovereignty issue for China. "This is not just [Hong Kong's] internal affairs. It has been escalated to the level of 'one country, two systems' and the constitutionality concerning the Basic Law," Lam said. "Some [foreign powers] even criticised the legal system and human rights on the mainland."

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Top Chinese official Wang Yang tells Hong Kong business delegation to prepare for lengthy trade war with US but to join forces with mainland enterprises (SCMP, May 23): Wang Yang, the country's No 4 official and chairman of the Chinese People's Political Consultative Conference, has told a Hong Kong business delegation in Beijing to be ready for a protracted trade war and expressed hopes local firms can join hands with mainland Chinese enterprises to "go abroad" for development. He

followed President Xi Jinping's call for the nation to embark on a "new Long March", in a sign that Beijing has given up hope of reaching a trade deal with the United States in the near term.

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Thousands march in Hong Kong to mark 30th anniversary of Tiananmen crackdown and protest against government's fugitive bill (SCMP, May 26): More than 2,000 demonstrators took to Hong Kong streets to commemorate the 30th anniversary of Beijing's bloody crackdown on democracy protesters in Tiananmen Square on June 4, 1989. The turnout for the annual march reached a four-year high, with some Hongkongers said to be taking part to protest against the government's controversial extradition bill, which would transfer criminal fugitives to mainland China. "I believe people took part in the march today not only to mourn the June 4 crackdown and to call for justice for the victims – people came out for the chance to express their concerns over the extradition bill and to urge other Hongkongers to speak up," said Albert Ho, chairman of the Hong Kong Alliance in Support of Patriotic Democratic Movements of China.

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Thousands sign petitions against extradition bill at 90 Hong Kong schools – including city leader Carrie Lam's alma mater St Francis Canossian College (SCMP, May 29): More than 23,000 students, alumni and teachers from all public universities and one in seven secondary schools in Hong Kong have joined online petitions against a controversial extradition bill, in a snowballing campaign rarely seen in the city. Among the nearly 90 schools were the alma maters of the city leader and her aides, as well as the school of the victim in a murder case which the government claims triggered the bill. City University political scientist Ray Yep said the chief executive had trapped herself in a dilemma by underestimating public opposition to the bill. "This could be a turning point in Carrie Lam's career as the city's leader, beyond which she could no longer recover Hong Kong people's trust," Yep said. "The passage of the bill in that case would be a pyrrhic victory. But if she failed, Beijing would consider her useless."

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Hong Kong extradition bill: security chief announces safeguards to win support of major business groups and political allies (SCMP, May 31): Hong Kong's security minister John Lee announced a series of changes and safeguards in a last-minute bid to sell the government's controversial extradition bill to a nervous business community and secure political support for its endorsement by the legislature. He said measures would be in place to limit the scope of extraditable crimes, introduce human rights safeguards and ensure the protection of fugitives being transferred from the city to other jurisdictions, including mainland China. Just hours before Lee's announcement a group of 39 pro-establishment lawmakers called for the bill to be watered down. Their two demands – raising the prison sentence threshold on extraditable crimes (from three years to seven years imprisonment) and only accepting rendition requests from the mainland's top authorities – were both included in Lee's list of concessions. Their stance suggested the government had enough votes in the bag to get the bill passed, and its hand was strengthened by the support of the five major chambers of commerce in Hong Kong.

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International relations

US Consul General Kurt Tong questions Hong Kong government over extradition bill and Financial Times journalist Victor Mallet breaks his silence (SCMP, May 4): The Hong Kong government needs to do a better job of alleviating public fears over the proposed amendment to the extradition law, Kurt Tong, the US consul general, said. He also questioned the prosecution of nine democracy activists who were found guilty for their roles in the 2014 Occupy protests, calling the charges brought against them "rather aggressive". He said concern was palpable among the business community and foreigners over the bill, which would allow the case-by-case transfer of fugitive to jurisdictions where Hong Kong does not have an extradition agreement, including Taiwan and mainland China. He said there were concerns about the potential effects of the extradition bill on the city's freedoms. Separately, former Financial Times news editor Victor Mallet, who was denied a work visa by Hong Kong immigration authorities late last year, warned of the erosion of freedoms in the city.

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Hong Kong extradition bill could pose risk to US national security and economic interests, warns congressional report (SCMP, May 8): A US congressional body has warned that the Hong Kong government's proposed extradition bill could create serious national security and economic risks as it will allow Beijing to pressure the city into handing over American citizens under false pretences. In a critical report, the US-China Economic and Security Review Commission said the bill, if passed, would increase Hong Kong's susceptibility to Beijing's weak legal system and political coercion, leading to further erosion of the city's autonomy. The commission's report added that the bill, if passed, might provide grounds for the US to "re-examine important elements of its current relationship with Hong Kong". Under the US-Hong Kong Policy Act of 1992, the city is treated separately from the mainland on trade

and economic policy issues. In response, foreign ministry spokesman Geng Shuang said in Beijing that the commission had “always been biased against China” so its report was not even worthy of a rebuttal. Hong Kong’s commerce minister Edward Yau downplayed concerns expressed in the report. “If you say the extradition arrangement will affect the business environment [in Hong Kong] and the situation in other counties, it might be going too far,” he said.

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US Secretary of State Mike Pompeo weighs in on Hong Kong extradition bill and expresses concern about new legislation which ‘threatens rule of law’ (SCMP, May 17): Hong Kong’s controversial extradition bill prompted US Secretary of State Mike Pompeo to express concern about the legislation, which he said threatened the city’s rule of law. Pompeo’s remarks came after he met with a delegation of Hong Kong pro-democracy advocates, led by Martin Lee. “Secretary Pompeo expressed concern about the Hong Kong government’s proposed amendments to the Fugitive Ordinance law, which threaten Hong Kong’s rule of law,” the State Department said. “He also expressed support for Hong Kong’s long-standing protections of human rights, fundamental freedoms, and democratic values, which are guaranteed under the Basic Law.”

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Hong Kong leader Carrie Lam hits back at EU officials who protested against controversial extradition bill, saying they did not pinpoint concerns (SCMP, May 25): Hong Kong’s leader has hit back at European Union officials in the city who formally protested against the controversial extradition bill, saying that foreign diplomats could not pinpoint concerns and were only stating their stance on the matter. Chief Executive Carrie Lam shrugged off comments by the consulates, dismissing the need for further discussion a day after meeting 11 EU representatives in her office and receiving their diplomatic note. Sources said the group asked Lam to add safeguards for the judiciary to take international human rights standards into account in vetting fugitive transfer requests under the amended legislation. The situation has sparked international concern, including from the United States, Britain and Canada. A bipartisan group of eight US congressmen wrote to Lam calling for the bill to be withdrawn. They argued that it could lead to the rendition of businesspeople and activists to mainland China, worsening US-Hong Kong relations.

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Beijing urges Germany to respect Hong Kong’s rule of law in asylum dispute over Mong Kok riot fugitives Ray Wong and Alan Li (SCMP, May 26): China’s foreign affairs office in Hong Kong has entered into the city’s ongoing diplomatic dispute with Germany, voicing strong dissatisfaction over the granting of asylum to two local fugitives Ray Wong and Alan Li. The Office of the Commissioner of the Ministry of Foreign Affairs of China said in a statement that it had lodged a solemn representation with Germany when its top official met the acting German consul general David Schmidt. The stern rhetoric came after Chief Executive Carrie Lam said that she had summoned Schmidt – a move she said was approved by the foreign ministry’s office in Hong Kong. She also expressed a strong objection and deep regret over Germany’s decision to offer asylum to Wong and Li. Lam said that she decided to summon Germany’s top diplomat in Hong Kong because she considered the granting of asylum to be a challenge to the city’s judicial system. Commissioner of Police Stephen Lo said the police force was following up on the asylum matter with Interpol and the German police.

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Top foreign diplomats express serious concerns about Hong Kong government’s extradition proposal at Legislative Council (SCMP, May 28): After a closed-door lunch attended by more than 30 consuls general and other consular representatives, along with 21 lawmakers, at the Legislative Council, one opposition politician quoted some diplomats as saying a unilateral review of their governments’ bilateral relations with Hong Kong was an option, but others did not confirm this. Regina Ip, chairwoman of the New People’s Party and one of Lam’s advisers in the Executive Council, said no diplomats had voiced support for the bill. Ip said some diplomats felt the views of the international business community were not being valued by the government. Dennis Kwok, a Civic Party lawmaker, cited EU representatives and at least five other foreign countries, including Germany and the United States, expressing deep concerns over the bill and the government’s decision to bypass scrutiny by a bills committee. Russian consul general Alexander Viktorovich Kozlov said the bill was an “internal affair” and none of his country’s business.

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Britain and Canada issued a rare joint statement about Hong Kong extradition ‘risk’ (SCMP, May 31): In a reflection of Western governments’ continuing opposition, Britain and Canada issued a rare joint statement raising concerns about the potential effect of the bill on their citizens in the city, business confidence and Hong Kong’s international reputation. “We believe that there is a risk that the proposals could impact negatively on the rights and freedoms set down in the Sino-British Joint Declaration,” they

said, referring to the bilateral agreement signed in 1984 to pave the way for Hong Kong's handover to China in 1997.

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Legal affairs and human rights

Occupy founding trio launch appeal against convictions and jail sentences over Hong Kong's biggest pro-democracy movement (SCMP, May 4): The three founders of the 2014 Occupy movement have lodged appeals after two of them were jailed over their roles in Hong Kong's biggest ever civil disobedience movement, according to their lawyers. Law scholar Benny Tai and retired sociologist Chan Kin-man were jailed for 16 months by West Kowloon Court, after they were found guilty of one count of conspiracy to cause a public nuisance and another of inciting others to do the same. Reverend Chu Yiu-ming, who was also convicted on the conspiracy charge, had his 16-month sentence suspended due to health concerns. While Tai and Chan would appeal against both their convictions and sentences, Chu sought to overturn his conviction only, according to the lawyers.

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Hong Kong LGBT community calls on government to follow Taiwan's lead on legalising same-sex marriage, but equality watchdog rejects move (SCMP, May 18): Hong Kong's LGBT community has urged the government to follow Taiwan's lead as it became the first in Asia to make same-sex marriage legal, but the call was dismissed by the new head of the city's equality watchdog. Equal Opportunities Commission chairman Ricky Chu expressed preference for a step-by-step approach, starting with anti-discrimination initiatives. Pro-establishment lawmaker Holden Chow lent his voice in opposing any Hong Kong move to copy Taiwan's legal change, saying same-sex marriage would bring profound problems to the city.

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Mong Kok riot fugitives offered asylum in Germany a 'damaging blow' to Hong Kong's reputation and likely to anger Beijing, analysts say (SCMP, May 22): Two fugitives who skipped bail on rioting charges in Hong Kong have reportedly been granted refugee protection in Germany, a move analysts said would anger Beijing and be a damaging blow to the city's reputation. Ray Wong and Alan Li, who both advocate Hong Kong's independence from mainland China, are wanted by police and face charges in relation to the Mong Kok riot in 2016, which left more than 100 people injured. Wilson Chan, a lecturer at Chinese University, said Germany's decision had put the city and China in an embarrassing situation as it was very rare for European countries to grant political asylum to Hongkongers. "This shows the international community is having greater doubts over whether Hong Kong can handle political dissidents in a fair and just manner," Chan said. Criminal law professor Simon Young, the University of Hong Kong, said there was virtually no possibility the pair could be returned if their asylum status was confirmed. "In general, an asylum status trumps any extradition requests," Young said.

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Hong Kong lawmaker Ted Hui guilty of assault after snatching public official's phone, dashing to men's toilet and emailing files to himself (SCMP, May 28): Ted Hui, a Hong Kong opposition lawmaker who snatched a phone from a public officer he claimed was acting like "paparazzi", is facing jail after he was found guilty of assault. Magistrate Cheng Lim-chi also found that by taking away the officer's phone, Hui had interrupted the woman's work, so also convicted him of obstructing a public officer in the performance of duty. Cheng also convicted Hui, who read content on the phone and sent five files to his own email account, of obtaining access to a computer with dishonest intent. The magistrate adjourned the case to June 10, seeking a report to study whether community service was suitable. "The possibility of an immediate custodial sentence exists," he said.

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Health

High mainland demand for tests to identify sex of babies drives blood sample export to Hong Kong (SCMP, May 6): An underground trade in Hong Kong involving the smuggling of blood samples from across the border to identify the sex of unborn babies is thriving, the Post has found. The demand stems from the limit on the number of children for mainland households, coupled with a pervasive tradition that favours sons. This has fuelled the desire of some parents to identify the sex of fetuses, through tests banned on the mainland but available in Hong Kong. In Hong Kong, medical professionals and lawmakers have called for stronger regulation to avoid ethical and public health issues.

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Hong Kong Medical Council signs off on proposal that will make it easier for doctors trained overseas to work in city (SCMP, May 9): Hong Kong's medical regulator signed off on a deal on overseas doctors working in the city after a meeting. The move by the Medical Council clears the way for the easier admission of doctors trained overseas to work in Hong Kong, as the city faces a chronic staff shortage on public hospital wards. The deal, expected to take effect as early as in a month after

the council clears formalities, means overseas specialists can be exempted from internship requirements if they have worked in public hospitals or medical schools in Hong Kong for three years and pass the licensing examination in that time. The proposal was also reportedly the one favoured by the government.

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Hong Kong confirms first case of African swine fever – and orders cull of 6,000 pigs at Sheung Shui Slaughterhouse (SCMP, May 11): Hong Kong confirmed its first case of African swine fever and ordered the cull of at least 6,000 pigs at a government-owned slaughterhouse. Secretary for Food and Health Sophia Chan announced the finding and detailed the government's plans to tackle the swine fever, which is highly infectious to pigs but poses no health risk to humans. "In order to minimise the risks of the African swine fever virus spreading from the slaughterhouse. All pigs in Sheung Shui Slaughterhouse will be culled so that thorough cleansing and disinfection could be conducted," Chan said.

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Hong Kong health authorities find three new cases of rat hepatitis E infection in humans, including in elderly man who died of unspecified illness (SCMP, May 15): Hong Kong has recorded three new cases of the rat hepatitis E infection in humans, health authorities have revealed, adding that one of the patients with an unspecified underlying illness had died. Health experts called the latest incidents "very significant", showing transmission occurred from time to time in different parts of the city. One expert believed rat-to-human transmission was more likely than from person to person. So far, the investigation has not been able to track down the source of the infections, but health chiefs ordered rat control measures to be stepped up in the districts.

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Just one-third of Hong Kong residents satisfied with public hospital services as long waiting times and lack of care top list of gripes (SCMP, May 20): Just one-third of Hongkongers are satisfied with the city's public hospitals, a survey has found, with many suggesting overseas doctors should only be allowed to work at these and not private ones. It also found that many respondents were annoyed about long waiting times at public hospitals. There are about 14,290 doctors in Hong Kong, which works out at 1.9 for every 1,000 residents. The Organisation for Economic Cooperation and Development put the acceptable global standard at 3.4 doctors for every 1,000 citizens.

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Environment

Greenpeace blasts Hong Kong government over new air quality objectives, estimating 2,000 extra deaths each year from pollution (SCMP, May 3): An environmental group has said the government must further tighten its air quality benchmarks set to go into effect next year if it wants to prevent an estimated 2,000 deaths and HK\$80 million in health care costs each year. Greenpeace issued the warning and cited a study that predicted the effects caused by the projected air pollution level in 2025 if the city's polluters only follow the World Health Organisation's interim targets, rather than its strictest standards. A spokesman for the Environment Bureau said: "The WHO states its recommended three tiers can be applied in accordance with local circumstances, and the government will keep its targets under review with reference to overseas and local development."

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Lawmakers endorse plan for HK\$7.7 billion desalination plant in Hong Kong that will meet 5 per cent of city's drinking water needs (SCMP, May 15): Hong Kong lawmakers have unanimously endorsed a HK\$7.7 billion (US\$987 million) plan for the government to build a desalination plant that will meet 5 per cent of the city's demand for drinking water. The desalination plant is expected to produce 135,000 cubic metres (4.8 million cubic feet) of drinking water a day after it is completed in 2022, equivalent to 5 per cent of local consumption. But officials told the meeting there was no timetable for the second stage of the plant, even though it would increase production to 10 per cent of demand. At present, the city relies on Guangdong's East River, or Dongjiang, and rainwater collected locally in reservoirs.

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Hongkongers urged to say 'no' to straws, bags and other single-use plastics on May 30 (SCMP, May 26): Two local groups are calling on Hongkongers to do just that on May 30 as part of their "Enough Plastic" education campaign. The initiative, run by EcoDrive and New Youth Energy HK, aims to encourage the reduction of unnecessary waste and consumption of single-use plastics in the city. In 2017, Hong Kong dumped more than 10,700 tonnes of municipal solid waste at landfills daily. One-fifth of this was plastic waste. "Environmental protection is not about not using single-use plastics for one day," Marco Lo, President of New Youth Energy HK, says.

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Culture and education

Hong Kong graduates of mainland universities are flocking to the Greater Bay Area – with 60 per cent working there or planning to (SCMP, May 5): A survey has found that 60 per cent of Hong Kong graduates of mainland universities were either already working in the Greater Bay Area – or intend to – even though salaries on the mainland are about half that of Hong Kong. The survey, which was released by the One Country Two System (OCTS) Youth Forum, found that 19 per cent of the respondents said they were already working or studying in mainland cities in the Greater Bay Area, including Shenzhen and Guangzhou. The median monthly salary for the Hong Kong graduates working on the mainland was RMB8,240 (HK\$9,694). The median salary in Hong Kong was HK\$17,320 (US\$2,207) – or 1.8 times that of the median on the mainland.

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University graduates face tough competition and low salaries as they enter Hong Kong's crowded workforce (SCMP, May 15): Hong Kong is producing more graduates than ever before, giving rise to concerns that degrees are worth less than they were in the past and there is a mismatch between the type of graduates being churned out and what employers are looking for. A study by the policy think tank New Century Forum found that fresh graduates now earn about 9.6 per cent less in their first job than graduates 25 years ago, and more are settling for low-paid, unskilled jobs. The median starting pay for a new graduate, inflation-adjusted with 2015 as the base year, was HK\$14,395 for the class of 2017, compared with HK\$15,929 in 1992. The study also found that the growth in the number of graduate workers outpaced the rise in the number of skilled jobs, including administrative and professional positions.

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Chinese University of Hong Kong refuses to lower entry requirements for student doctors, despite recruitment shortages (SCMP, May 17): One of the major trainers of Hong Kong doctors has defended a decision not to lower the threshold for student admissions despite the city's chronic shortage of physicians. Chinese University announced that only high school graduates who score 40 or above in seven subjects on their entrance exam, who list the course as their first choice, and who perform satisfactorily in the admission interview will be guaranteed a place on its Bachelor of Medicine and Bachelor of Surgery programmes. The Hospital Authority said the city was short of about 350 doctors at public hospitals at all times, even outside the winter flu season.

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Kindergartens in Hong Kong 'facing staff shortages' as teachers working up to 70-hour weeks threaten to quit their jobs over excessive demands of government scheme (SCMP, May 29): Kindergarten teachers have to work up to 70 hours a week following the introduction of a free education scheme two years ago that risks triggering an exodus of staff, a survey conducted by the Hong Kong Federation of Education Workers has found. The Federation is warning of staff shortages as the strain on teachers becomes too much to bear. Under the new Free Quality Kindergarten Education Scheme, preschools receive a basic subsidy for the provision of three-year, half-day teaching for all eligible pupils, intended to cover expenditure on salaries for teaching and support staff, and other normal operating costs. While the money should be enough to ensure there is no need to charge parents fees for half-day services, the profession says it has meant extra work for schools.

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