



October in Hong Kong

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

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Switzerland in the local press

UBS to seek full control of Chinese securities joint venture by 2020 (SCMP, Oct. 23): UBS said that it expects to take full control of its securities business in mainland China next year as Beijing moves to further open up the country's financial sector. "The accelerated removal of the ownership caps for securities companies means that UBS is expected to be permitted to increase its stake in UBS Securities China from the current level of 51 per cent to 100 per cent by 2020," UBS said.

Swiss election brings a green wave (Hong Kong Economic Journal, Oct. 21): Sotomo, a research institute, said that climate change replaced immigration policy as the prime concern in Switzerland's parliamentary election on Oct. 20. It is regarded as "green wave", one of the most notable changes in the Swiss political history. According to the poll, right-wing SVP would still be the largest political party in the parliament. Green Party took about 7% of the vote in the 2015 Election but would get about 11% of the vote this year.

Cosmos explorers win Nobel Prize for Physics (The Standard, Reuters, Oct. 9): Canadian-American cosmologist James Peebles and Swiss scientists Michel Mayor and Didier Queloz won the Nobel Prize for Physics for shedding light on the evolution of the universe and discovering planets orbiting distant suns. Mayor and Queloz announced the first discovery of a planet outside the solar system, a so-called "exoplanet," starting a revolution in astronomy.

Foreign Policy/International Relations

Taiwan rebuts Hong Kong's claims it is hindering surrender of murder suspect whose case sparked extradition bill crisis and mass protests (SCMP, Oct. 27): Taiwan has hit back against Hong Kong's claims it was hindering the surrender of the murder suspect whose case sparked the extradition bill crisis, and urged the city's government to take real action instead of bickering over the matter. The rebuttal came after the Hong Kong government issued a statement demanding Taiwan clear the hurdles for Chan Tong-kai's voluntary surrender to authorities in Taiwan to face justice for the murder of his pregnant girlfriend.

China's Wang Yi blames foreign forces for 'sowing chaos' in Hong Kong (SCMP, Oct. 22): "There are foreign forces which are encouraging this sort of violence in the streets with the aim of destabilising Hong Kong, sowing chaos ... to wipe out the historic progress made since the 'one country, two systems' policy was applied," China's foreign minister Wang Yi said. Wang's comments followed similar sentiments from Chinese Defence Minister Wei Fenghe. Wei chastised unnamed foreign powers for "instigating colour revolutions" in other countries and using "long-arm tactics" to influence China's internal affairs.

Hong Kong leader Carrie Lam condemns US senator Josh Hawley for 'totally irresponsible' police state comment (SCMP, Oct. 15): Hong Kong leader Carrie Lam Cheng Yuet-ngor has hit out at United States senator Josh Hawley for his "irresponsible" remark that Hong Kong is becoming a police state. Lam said Hong Kong police are a highly professional and civilised force. "I would challenge every politicians to ask themselves: if the large extent of violent acts ... happened in their own country, what would they do, what would their policemen [do]?" she said.

EU and Britain urge restraint and de-escalation after Hong Kong police officer shoots protester during National Day clashes (SCMP, Oct. 2): The European Union and Britain urged restraint from authorities in Hong Kong after a police officer shot a protester in the city with a live round. "Whilst there is no excuse for violence, the use of live ammunition is disproportionate, and only risks inflaming the situation," Britain's Foreign Secretary Dominic Raab said in a statement. Speaking to reporters after the shooting, EU spokeswoman Maja Kocijancic said the bloc "continues to stress that that dialogue, de-escalation and restraint are the only way forward".

Mainland Relation

Hong Kong protests labelled independence campaign by China's top diplomat in city, Xie Feng (SCMP, Oct. 25): Xie Feng, commissioner of China's ministry of foreign affairs office in the city, has launched a scathing attack on the city's protest movement, labelling it as an independence campaign to overthrow the government, and appealing to the international community to speak out against the "virus of street violence" spreading overseas. Independence is not among the core demands, but separatist banners, anti-China slogans, and calls to "liberate" Hong Kong have angered Beijing.

Taking aim at China: why Hong Kong ‘radicals’ have turned on mainland targets (SCMP, Oct. 22): Since September, protesters have increasingly targeted businesses suspected of having ties with mainland China, as well as those with pro-Beijing owners. It is no coincidence to see an ‘anti-China’ sentiment in the city, given various factors from a loss of autonomy to high housing prices, Jonathan Hassid, an assistant professor in political science at Iowa State University, said.

People’s Liberation Army warning to Hong Kong protesters ‘not military action’, pro-Beijing heavyweight Maria Tam says (SCMP, Oct. 8): Pro-establishment heavyweight Maria Tam has defended the Hong Kong garrison of the People’s Liberation Army, saying its warning to anti-government protesters did not amount to military action. Tam, vice-chairwoman of the Basic Law Committee, said it was normal for military personnel – stationed at the Kowloon Tong barracks – to respond to protesters shining lasers at the PLA building. The army raised a yellow flag at the top of the building, warning demonstrators: “You are in breach of the law. You may be prosecuted”. The tense moment passed without confrontation.

Domestic Policy/Politics

Beijing censures Hong Kong activist Joshua Wong for being pro-independence (SCMP, Oct. 30): Beijing authorities and state-owned media have censured pro-democracy activist Joshua Wong, accusing him of being a pro-independence radical taking financial aid from the United States. Wong, secretary general of political party Demosisto, became the only candidate to be banned from running in the district council elections on November 24 because of their political views. Returning officer Laura Liang Aron ruled he had not changed his former stance on independence. Wong said that Aron’s decision was a directive from Beijing.

City leader Carrie Lam and police chief Stephen Lo apologise after water cannon sprays mosque entrance (SCMP, Oct. 22): Chief Executive Carrie Lam and Commissioner of Police Stephen Lo apologised to the local Islamic community after the entrance of the city’s biggest mosque was sprayed with blue solution from a water cannon attempting to disperse anti-government protesters. They visited the mosque a day after disturbances and said the soaking at Kowloon Mosque was an accident. The Islamic Trust, a local community group, accepts apology and urges calm among local Muslims.

Nearly a third of Hong Kong protesters arrested over past four months of unrest aged under 18, city’s No 2 official reveals, calling trend ‘heartbreaking’ (SCMP, Oct. 11): Nearly a third of anti-government protesters arrested over four months of civil unrest in Hong Kong were aged under 18, Chief Secretary Matthew Cheung revealed, describing the worrying trend as “shocking” and “heartbreaking”. Among the 2,379 arrested so far since the protests, 750 were aged below 18 years, and 104 of them were under 16. Cheung also praised the performance of the city’s embattled police force. “Police are not going it alone. The entire governing team is cooperating with one another to ensure Hong Kong will restore peace,” he said.

Hong Kong leader Carrie Lam: ‘no plans’ to bring in more laws under emergency powers, too early to judge effectiveness of mask ban against violent protests (SCMP, Oct. 8): Hong Kong’s leader Carrie Lam said she had no immediate plans to bring in more legislation by invoking emergency powers, after she imposed a mask ban on Oct. 4 that sparked further violent unrest. So far, at least 16 people have been charged under the mask ban, formally known as the Prohibition on Face Covering Regulation. Asked whether the Hong Kong government planned to seek help from Beijing to end the protests, Lam said: “If the situation becomes so bad, then no option can be ruled out, if we want Hong Kong to have another chance.” But she said the priority was for the city to tackle the crisis on its own.

Protester shot by police, trail of destruction across Hong Kong, while Beijing celebrates National Day (SCMP, Oct. 2): China’s grand celebration to mark the 70th anniversary of communist rule was marred by violent protests in Hong Kong on Oct. 1, with a police officer opening fire at a protester for the first time, injuring him in the chest. Police also fired five live-round warning shots skywards in other neighbourhoods as violence reached an unprecedented level, with officers battling large groups of protesters across the city. Hong Kong had been in virtual lockdown with many shops and subway stations closed.

Economy/Finance

Hong Kong’s monetary authority cuts interest rate for the third time, offering a lifeline to an economy heading into recession (SCMP, Oct. 31): Hong Kong’s monetary authority cut its base lending rate for the third time in as many months in lockstep with the US Federal Reserve. The HKMA has cut interest rates by a total of 75 basis points since August, reducing the cost of money for a city economy squeezed between the US-China trade war and five months of anti-government protests.

Hong Kong finance chief Paul Chan warns of full-year negative growth as anti-government protests batter economy (SCMP, Oct. 28): Hong Kong's financial chief Paul Chan warned the city was heading towards negative economic growth for the full year as he appealed to the public to unite against the notion of "burning together", referencing a popular slogan among anti-government protesters. Chan said while the government had rolled out various measures to help the ailing tourism, trade and retail sectors, the real problems could only be solved by ending the violence on the streets.

Hong Kong rises one spot to No 3 in World Bank rankings on ease of doing business (SCMP, Oct. 25): Hong Kong rose one spot to No 3 in the World Bank's annual rankings on the ease of doing business, but the city's commerce minister Edward Yau warned that violence arising from the ongoing anti-government protests could harm its future placing. Hong Kong ranked first in dealing with construction permits, second in paying taxes, third in getting electricity and fifth in starting a business – giving the city an overall score of 85.3 points out of 100.

Hong Kong exports shrink 7.3 per cent in September as US-China trade war continues to bite (SCMP, Oct. 25): Hong Kong exports shrank 7.3 per cent in September year on year amid the raging US-China trade war. Exports dropped to HK\$347.7 billion (US\$44.2 billion) in September while imports slipped 10.3 per cent to HK\$379.3 billion, the Census and Statistics Department revealed. Exports dropped by 4.6 per cent in the first nine months of this year compared with the same period in 2018.

Hong Kong remains key gateway as China's FDI rises 2.9 per cent in first nine months of 2019 despite protests (SCMP, Oct. 18): Foreign direct investment in China rose by 2.9 per cent to US\$100.78 billion in the first nine months of 2019 compared to the same period last year as inflows from Hong Kong and Macau surged, according to data from the Ministry of Commerce. Investment from Hong Kong, which accounts for two thirds of China's overall foreign direct investment inflows, increased by 8.1 per cent between January and September, showing the city's role as the main gateway for investing into China remains intact despite the ongoing anti-government protests.

Hong Kong climbs to third in World Economic Forum's competitiveness rankings, but judicial independence and press freedom 'decline' (SCMP, Oct. 10): Hong Kong has climbed into the top three for competitiveness in this year's global rankings, but the independence of its judiciary and press freedom have declined, according to the World Economic Forum. The city was up four notches from seventh in 2018. But the new ranking was based on data collected before the outbreak of a political crisis and violent protests that have rocked Hong Kong for months.

No plans for foreign exchange controls finance chief says amid online rumours of more curbs after anti-mask law (SCMP, Oct. 7): Hong Kong's finance chief Paul Chan says the government is committed to keeping the city free from any foreign exchange controls, quashing rumours that a controversial anti-mask law will be followed by restrictions on capital flows in and out of the city. The Basic Law stipulates that the government will ensure the free convertibility of the Hong Kong dollar, and will not impose foreign exchange controls.

Hong Kong retail sales suffer worst decline on record amid anti-government protests and US-China trade war (SCMP, Oct. 3): Retail sales in Hong Kong plunged a record 23 per cent in August compared with the same month last year, amid the double whammy of anti-government protests and the US-China trade war. The figure dropped to HK\$29.4 billion (US\$3.76 billion) in August year on year, the Census and Statistics Department revealed. A government spokesman said retail sales by value registered the steepest year-on-year decline for a single month on record, even worse than that posted in September 1998 during the Asian financial crisis.

Technology/Innovation

Hong Kong to phase out fossil fuel cars and go all electric over next 20 years, says environment chief (SCMP, Oct. 29): Hong Kong plans to phase out all fossil fuel vehicles over the next 10 to 20 years and switch to electric modes of commercial and public transport to improve air quality, according to the city's environment chief Wong Kam-sing. He had already announced that the government would provide HK\$2 billion to old private estates to upgrade parking facilities to electric vehicle EV charging. EVs make up about 1.8 per cent of private cars in the city.

Hong Kong's port is failing to ready itself for LNG-fuelled cargo ships as rival Singapore races ahead, say analysts (SCMP, Oct. 4): The world's shipping industry is starting to switch to liquid natural gas (LNG) powered vessels in an effort to eliminate sulphur and cut greenhouse gas emissions. Singapore is the world's largest bunkering (fuelling) port. But Hong Kong's LNG bunkering infrastructure has not even got off the blocks, according to observers. And that inertia is likely to hamper its competitiveness as more of the world's fleet make the switch to LNG.

Special Focus

Beleaguered Hong Kong leader Carrie Lam puts focus firmly on housing as cause of public grievances as she unveils her third policy blueprint (SCMP, Oct. 17): Hong Kong's beleaguered leader Carrie Lam put the focus firmly on housing as a root cause of public grievances. It proposed to boost affordable housing, find more land and improve livelihoods amid a worsening economy, but offered no political solutions to restore normality. She again rejected protesters' key demands, such as political reform to facilitate universal suffrage and an independent inquiry into allegations of police brutality, stressing instead the importance of adhering to Beijing's "one country, two systems" governing principle for Hong Kong – with zero tolerance for independence advocacy and challenges to China's sovereignty – upholding the rule of law, and protecting institutional pillars such as the judiciary and law enforcement agencies.

Hong Kong Human Rights and Democracy Bill: Beijing accuses US lawmakers of 'sinister intention to destroy Hong Kong', threatens to retaliate (SCMP, Oct. 16): Beijing warned that it would take countermeasures to stop the US "interfering in its internal affairs" after condemning the House of Representatives for passing an act in support of Hong Kong's anti-government protesters, moving the legislation closer to becoming law. In a fiery statement, China's foreign ministry expressed "strong indignation and resolute opposition" to the lower chamber of the US Congress passing the Hong Kong Human Rights and Democracy Bill. Yang Guang, a spokesman for the Hong Kong and Macau Affairs Office of the State Council, said it expressed "solemn protest and strong condemnation" over the passage of the act. In a statement, the Hong Kong government "expressed regret" over the passage of the act. It also warned foreign lawmakers they should not interfere in Hong Kong internal affairs in any way.

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62/F, Central Plaza
18 Harbour Road
Wan Chai, Hong Kong
Phone: +852 3509 5000, Fax: +852 3509 5050
hongkong@eda.admin.ch
www.eda.admin.ch/hongkong