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## Foreign Policy/International Relations

**Candidate disqualification faces international criticism (SCMP, July 31):** The Hong Kong government's decision to disqualify 12 opposition pro-democracy figures from running in elections has been internationally condemned. The strongest remark came from British Foreign Secretary Dominic Raab, who said: "I condemn the decision to disqualify opposition candidates from standing in Hong Kong's Legislative Council elections." In addition, lawmakers from more than a dozen countries issued a statement on what they called "the obstruction of the democratic process". Reinhard Bütikofer, the European Parliament member in charge of China, called on European Union leaders to impose sanctions on Hong Kong Chief Executive Carrie Lam.

**US and EU urge Hong Kong to commit to 'free and fair' Legco election (SCMP, July 29):** The United States and Australia urged Hong Kong to commit to a "free and fair" legislative election, while the European Union and the UK vowed to closely monitor the polls scheduled for September 6. The calls come as several Hong Kong media outlets reported the government may postpone the Legislative Council polls for up to a year, citing the coronavirus pandemic. Furthermore, the EU takes several measures against the Hong Kong government, such as restricting sale of products that could be used for "internal repression, the interception of internal communications or cyber-surveillance" to Hong Kong. The EU also promised to review the implication of the national security law on asylum, migration, visas and residency.

**Hong Kong to suspend deals on extradition and criminal justice cooperation with Australia, Britain and Canada (SCMP, July 29):** Beijing ordered Hong Kong to suspend extradition and other criminal justice cooperation agreements with Britain, Australia and Canada in tit-for-tat retaliation for similar action they took against the city over the imposition of the national security law. The Chinese foreign ministry warned New Zealand that Beijing reserved the right to respond accordingly, hours after Wellington also suspended its extradition deal with Hong Kong. New Zealand would also start treating military and dual-use goods and technology exports to Hong Kong no differently than those to mainland China, New Zealand's Foreign Minister Winston Peters said.

**Beijing threatens to stop recognising Hong Kong BN(O) passports in retaliation for British offer to city residents (SCMP, July 24):** Beijing threatened to stop recognising British National (Overseas) passports in retaliation for London advancing plans to open its doors to Hongkongers holding the status, as HK officials offered their full support for the central government's response. The British Home Secretary Priti Patel revealed that Hongkongers with BN(O) papers wishing to move to the United Kingdom would be exempt from its income threshold requirements and allowed to stay for up to five years, at which point they could apply for full citizenship. The proposal covers not just the 300,000 or so BN(O) holders, but an estimated 2.9 million eligible Hongkongers. The move infuriated Beijing, as a Ministry of Foreign Affairs spokesman accused London of meddling in China's internal affairs.

**EU plans 'comprehensive and coordinated' response over legislation (SCMP, July 23):** The European Union is working on a "comprehensive and coordinated" response to Beijing's imposition of a national security law on Hong Kong, its foreign affairs chief Josep Borrell said, while an annual report by the bloc has highlighted growing concerns over the city's autonomy. The HKSAR Government responded that the concerns about the erosion of high degree of autonomy and the legitimate rights and freedoms enjoyed by the people of Hong Kong were totally unfounded. No other state has the right to intervene, directly or indirectly, in such internal affairs.

**Government slams 'double standards', 'interference' as Britain suspends extradition deal (SCMP, July 21):** The Hong Kong government has fired back at Britain's decision to suspend their extradition agreement, accusing the former colonial ruler of double standards, gross interference in China's internal affairs and violating international law. The strongly worded pushback came after UK Foreign Secretary Dominic Raab formally announced the cut in ties, along with restrictions on arms sales and reviews of exchange programmes for judges and police officers. Separately, a spokesman from the Chinese Embassy in the UK urged London to immediately stop interfering in Hong Kong affairs. "The UK will bear the consequences if it insists on going down the wrong road," he said.

**US President Donald Trump signs Hong Kong Autonomy Act, and ends the city's preferential trade status (SCMP, July 15):** US President Donald Trump took two actions against China in response to Beijing's moves on Hong Kong, signing an executive order ending the city's preferential trade treatment, and enacting a bill that would require sanctions against foreign individuals and banks for contributing to the erosion of Hong Kong's autonomy. "Hong Kong will now be treated the same as mainland China," Trump said. "No special privileges, no special economic treatment, and no export of sensitive technologies." People targeted under the law would be barred from entering the US and lose control over any US-based assets. Sanctioned banks would also lose control of US-held assets, but would also be subjected to other punitive measures.

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**Australia offers pathway to residency for Hongkongers (SCMP, July 9):** Australia will suspend its extradition treaty with Hong Kong and give 10,000 Hongkongers on student and temporary visas a pathway to permanent residency in response to the city's controversial national security law. In response, China slammed Australia for "gross interference". Australia's decision to suspend the extradition treaty follows a similar move by Canada.

**UN rights council divided (The Standard, July 2):** Beijing must reconsider its security law that undermines Hong Kong's freedoms, 27 countries declared in a joint statement. But another 53 other countries voiced support for the newly enacted law, says China. Julian Braithwaite, Britain's ambassador to the UN, read the statement on behalf of the 27 signatories, saying the signatories have "deep and growing concerns" over the security law, which has clear implications on the human rights of Hong Kong people. The signatories included Australia, Canada, New Zealand, **Switzerland** and 15 European Union states.

#### **Mainland Relation**

**New head of Beijing office in city vows agents will not trample on people's rights (SCMP, July 9):** Beijing inaugurated its new national security office staffed by more than 200 people in Hong Kong, with its director Zheng Yanxiong pledging his agents would not infringe on residents' rights amid concerns about the extent and implications of their sweeping powers. The new office is required under the national security law drafted by China's top legislative body to oversee its implementation against acts of secession, subversion, terrorism and collusion with foreign forces. But legal scholars and opposition politicians have voiced concerns over what they see as a draconian new regimen, pointing to the expansive powers granted to the new agency.

#### **Domestic Policy/Politics**

**Mass disqualification of opposition hopefuls sparks political storm (SCMP, July 31):** Opposition camp has suffered a stunning blow, with at least 12 members, including veteran and moderate politicians, barred from running in the Legislative Council elections, while the government has warned that more may be disqualified. Citing the city's new national security law and the pan-democrats' previous calls for foreign governments to sanction Beijing and Hong Kong as key reasons, election officials invalidated the candidacies of four incumbent lawmakers. At least 21 other opposition hopefuls were still waiting for returning officers' verdicts on their candidacy applications. Beijing's liaison office in Hong Kong issued a statement declaring that the returning officers' decisions were "well-reasoned and lawful".

**Record high as city registers 150 new Covid-19 cases but dine-in ban reversed (SCMP, July 31):** Hong Kong registered a record 150 new confirmed Covid-19 cases on July 30, medical sources said, as the government caved to public pressure and reversed its all-day ban on eating in restaurants. The three-figure increase was the ninth day in row. Dine-in services will return for breakfast and lunch time from July 31, with restaurants again limited to serving takeaway only between 6pm and 5am. The government reversed all-day ban after workers were forced to eat by the side of the road on July 29, when the initial ban took effect.

**Four Members of pro-independence group arrested by police officers from national security unit (SCMP, July 30):** New police unit enforcing the national security law arrested four student members of a pro-independence group after it announced its mission to build the city into a republic. Police said their action might have breached Articles 20 and 21 of the national security law, which prohibit acts of organising, planning, committing or participating in altering the legal status of the city. Previous arrests under the national security law have been made at protests over slogan shouting and flag waving.

**Will Legislative Council polls be postponed by a year? (SCMP, July 30):** Hong Kong's top officials are looking at postponing September's Legislative Council elections by a year, and are likely to raise the issue to China's top legislative body for a legal directive to support the decision and resolve any potential constitutional issues, according to sources. While such a decision could be officially justified on the basis of protecting public health amid a resurgent third wave of Covid-19 infections, it would still be highly contentious with opposition politicians who are banking on a major victory over their pro-establishment rivals. Chief Executive Carrie Lam has yet to announce whether the elections will proceed as scheduled on September 6.

**University of Hong Kong governing council sacks legal scholar Benny Tai over convictions for Occupy protests (SCMP, July 29):** The University of Hong Kong's governing council sacked legal scholar Benny Tai over his criminal convictions for the Occupy protest movement he co-founded in 2014. Responding to his dismissal, Tai said academic institutions "cannot protect their members from internal and outside interferences", adding that the university council's decision "marked the end of academic freedom in Hong Kong". Hours after the decision, Beijing's liaison office in the city said in a statement it supported the dismissal as an act that punished "evil" and upheld justice.

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**Toughest preventive measures yet (SCMP, July 27):** Gatherings of more than two people will be banned, restaurants can only offer takeaway services and mask-wearing will be mandatory in outdoor public places starting from July 29. Asked about a lockdown, Chief Secretary Matthew Cheung said deep uncertainties remained over whether it could be implemented in Hong Kong.

**Traditional opposition parties lose out to localist challengers in primary (SCMP, July 14):** Traditional opposition parties have lost ground to localist challengers in a fierce primary contest to determine who should run in coming elections, as the city leader Carrie Lam warned any planned action to paralyse policymaking was potentially subversive. A spokesman for Beijing's liaison office in the city condemned the opposition camp for ignoring the Hong Kong government's warning of possible legal breaches and pressing ahead with the primary.

**Chief Justice spells out his stance on how cases should be handled (SCMP, July 3):** Chief Justice Geoffrey Ma insisted that foreign judges should not be excluded from cases under the security law, an assurance given earlier by the city's leader Carrie Lam which contradicted a senior Beijing official's suggestion that rulings should not be tainted by "dual allegiance". Ma's remarks were much-anticipated as there had been heated debate on a new power granted to the chief executive under the law to designate a pool of judges, as well as on issues relating to jury trials and open justice.

**Thousands of protesters return to streets, openly defying ban on July 1 rally (SCMP, July 2):** Thousands of protesters returned to streets on July 1, openly defying a ban on the rally to oppose Beijing's newly imposed national security law. At least 10 people became the first to be arrested by police exercising their new powers under the contentious legislation. They were among about 370 people detained mainly for participating in illegal assemblies, disorderly conduct and possession of offensive weapons. While protesters blocked roads and radicals among them set fires, vandalised shops and attacked police, the chaos was not on the scale of last year's violent protests.

**Government unveils national security law details (SCMP, July 1):** Beijing's new national security law, which Hong Kong adopted on July 1, lists four categories of offences – secession, subversion, terrorism, and collusion with a foreign country or external elements to endanger national security. The maximum penalty for each crime is life imprisonment. Beijing will exercise jurisdiction over "complicated" cases such as those relating to foreign interference, or when local authorities cannot enforce law effectively, or the nation's security is under major threat. For those cases in which Beijing exercises jurisdiction, a mainland agency that will be established in Hong Kong to enforce national security will carry out investigations and the Supreme People's Procuratorate will assign authorities to lead prosecution. The Supreme People's Court will assign courts to hear those cases. A dedicated police unit is to investigate cases, while a mainland Chinese security office will be set up in Hong Kong.

## **Economy/Finance**

**Currency peg vital for Hong Kong's status as global finance centre (SCMP, July 30):** Hong Kong should hang on to its 37-year-old currency peg to the US dollar because a link to the world's most used currency is the best option to maintain its role as an international financial centre, said former monetary authority chief Joseph Yam. Over the years, critics have periodically called for the Hong Kong dollar to be decoupled from US monetary policy. Those calls have escalated recently amid a spike in US-China political tensions and fears that Washington may introduce measures of its own that would break the peg.

**Battered by Covid-19 third wave and US-China showdown, recovery could take longer than expected: finance chief (SCMP, July 27):** Hong Kong's economy could take longer than expected to recover amid the third wave of Covid-19 cases and a sharp deterioration in US-China ties, finance chief Paul Chan has warned. He said the economic situation in the second quarter remained dire, though the contraction seemed to have slowed slightly and gradually stabilised. While major economies around the globe had fallen into deep recession, the rapid recovery of mainland China in the second quarter provided support for Hong Kong's own exports of goods, partially offsetting the impact of the drop in global demand.

**Naver moves data centre from HK to Singapore (SCMP, July 22):** Naver, South Korea's largest internet portal, has confirmed that it moved its overseas data backup centre from HK to Singapore amid fears that Chinese authorities could use the national security law to access users' information. Earlier this month, social media platforms Google, Facebook, WhatsApp, Twitter, Telegram and LinkedIn announced they had suspended processing law enforcement requests for user data, while popular short video app TikTok has pulled out of HK's Apple and Google app stores. The New York Times said it would relocate its HK-based digital news operation to Seoul because of the national security law.

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**Japanese firms rethinking value of staying in Hong Kong, poll finds (SCMP, July 22):** More than 80 per cent of over 300 Japanese firms surveyed express concerns over the national security law. About 37 per cent said they would consider reducing their Hong Kong offices, or reviewing them and their functions or withdrawing. But 35 per cent said they would continue with their current strategy. Nearly 90 per cent of the firms said the Covid-19 pandemic deeply affected the local operating environment, which was also buffeted by other factors including trade frictions between the US and China and the mainland's economic downturn.

**Unemployment rate rises to 6.2 per cent, highest in more than 15 years (SCMP, July 21):** Unemployment rate has climbed to its highest level in more than 15 years, hitting 6.2 per cent, while a fresh wave of coronavirus infections could plunge the embattled economy further into recession. The jobless rate has climbed for nine straight months. Secretary for Labour and Welfare Law Chi-kwong stressed that the labour market continued to deteriorate for the second quarter of the year as a whole and its recovery would depend on how the global health crisis was handled.

**US businesses increasingly worried about legislation, American Chamber of Commerce survey finds (SCMP, July 14):** About 68 per cent of the 183 companies AmCham polled said they were now more concerned about the law Beijing imposed on the city compared with a month ago. Most respondents were concerned with ambiguity in the scope and enforcement of the law, the independence of the judicial system and whether the city's status as an international business centre would be jeopardised. Overall, about 42 per cent of respondents said they felt pessimistic about the city's business prospects. Yet, about 64.5 per cent of respondents indicated that their companies had no plans to leave Hong Kong.

**China doubles down on support for city as finance hub (SCMP, July 3):** Beijing is expanding existing financial schemes and voicing continued support for Hong Kong's role as a gateway for international investors into China, amid concerns about the impact of a new national security law on the city. While Hong Kong's role in overall Chinese trade has declined in recent years, the city's importance for financing in China, especially its access to global capital, has increased because the Beijing government maintains rigid controls over cross-border financial flows.

#### **Macao**

**Guangdong authorities relax travel restrictions to Macao (SCMP, July 14):** Guangdong province will lift the 14-day quarantine requirement for visitors crossing the Macau-Guangdong border, beginning on July 15. Visitors must hold "green" health codes and have tested negative for Covid-19 for seven days before crossing. The step is the beginning of the eventual lifting of all restrictions for visitors from the province, who accounted for nearly half of all visitor arrivals in Macau last year.

#### **Special Focus**

**Coronavirus-ravaged economy shrinks 9 per cent in second quarter (SCMP, July 30):** Economy contracted 9 per cent in the second quarter, a worse-than-expected slump during the coronavirus crisis. It followed a revised 9.1 percent drop in the first quarter. Amid the global lockdown, tourist arrivals were down nearly 100 per cent in the quarter from the same period last year. Private consumption expenditure tumbled 14.5 per cent in the second quarter, a deterioration from the 10.6 per cent decline in the first quarter. "The Covid-19 pandemic will remain a key threat to the global economic outlook. Locally, the recent surge in Covid-19 cases has clouded the near-term outlook for domestic economic activity," a government spokesman said. The number of new local infections recorded daily jumped by more than 100 for the eighth day in a row on July 29, pushing the city's case tally beyond 3,000.

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