

Consulate General of Switzerland in Hong Kong

# February in Hong Kong

# 28 February 2022 / No. 218

# A condensed press review prepared by the Consulate General of Switzerland in Hong Kong

Contents	
Switzerland	2
Switzerland votes to ban nearly all tobacco advertising	2
Foreign Policy / International Relations	2
Beijing condemns UK's plan to expand visa eligibility for younger Hongkongers	2
Foreign ministry condemned US House of the "America Competes Act"	2
Mainland	2
Mainland academic 'tapped to become deputy chief' of Hong Kong and Macau Affairs Office	2
Domestic Policy / Politics	2
Carrie Lam to miss Beijing top legislature's annual session opening	2
Police arrest owners of Taiwanese drinks shop over social media posts	2
The leadership election will be postponed by six weeks to May 8	2
Andrew Kan named national security department head	2
US professor denied visa for teaching in HK, Overseas human right watchdog website blocked	2
New civil servants must complete a basic training programme	3
NSL: HK resident with Australian citizenship prosecuted for subversion last year	3
Nearly 14,500 Hongkongers apply for work, study permits in Canada	3
Secretary for Home Affairs Caspar Tsui resigned after attending an Omicron-hit birthday party	3
Economy / Finance	3
Bank of America executive to leave the city as exodus continues	3
Inflation slows in January	3
The city applies to join RCEP trade agreement	3
IPOs dry up as Ukraine tension, Covid fifth wave sap demand	3
Greater Bay Airlines granted five-year licence to operate 104 routes	3
Hong Kong General Chamber of Commerce slashes the city's growth forecast	3
Citi moves equities staff out of the city amid Covid woes	3
Pernod Ricard asks senior staff in the city to temporarily relocate	4
Record reserve price for Swire hub target	4
Introduction of progressive property rates & regulations on crowdfunding campaigns possible	4
COVID-19 / Health & Environment	4
Citywide lockdown not ruled out says Health chief	4
Discharge criteria to be eased, while city allows mainland doctors practice	
EU Office wrote to Hong Kong government expressing Covid-related concerns	
Mass Covid testing for all 7.4 million Hong Kong residents in March	
The city to implement city-wide mandatory testing, meanwhile Chinese leaving the city	
Xi says Hong Kong government must take 'main responsibility' in battling pandemic	
High hospital occupancy rate, isolation periods for infected reduced	
Chief Executive outlines Covid task force after chief secretary's meeting with mainland officials	
Tracking function for Hong Kong's 'Leave Home Safe' app would not be illegal	
Hong Kong urged to maintain 'dynamic zero-Covid' policy, vegetable shortage	
Macau	
Airport terminal expansion allowing for 10 million annual passengers operational in Q1	
Special Focus: Budget Speech	
Hong Kong finance chief unveils USD 21.8 bn budget, packed with sweeteners	5

# Switzerland

## Switzerland votes to ban nearly all tobacco advertising

Nearly 56 per cent of voters and 15 of Switzerland's 26 cantons backed the near-total tobacco advertising ban, <u>SCMP</u>, Feb 13

## **Foreign Policy / International Relations**

Beijing condemns UK's plan to expand visa eligibility for younger Hongkongers

Following the UK government's announcement to broaden the eligibility of a pathway to citizenship for Hongkongers, the Ministry of Foreign Affairs condemned the plan. The statement wrote that the UK "grossly interfered" in China's internal affairs, accused the former colony of "manipulating" the issue of the BN(O) scheme under the pretext of the national security law and "providing shelters for anti-China forces" with an intention to "disrupt" the city. <u>HKFP SCMP</u>, Feb 24, 25, 27

## Foreign ministry condemned US House of the "America Competes Act"

Upon enactment, the bill provides temporary protected status and refugee status for qualifying Hong Kong residents 18 months. It also authorises US\$10 million for the State Department's Bureau of Democracy, Human Rights, and Labor to promote democracy in Hong Kong. The Foreign Ministry urged American politicians to stop political manipulation. <u>SCMP</u>, Feb 5

# Mainland

**Mainland academic 'tapped to become deputy chief' of Hong Kong and Macau Affairs Office** A top mainland Chinese social scientist will be appointed as a deputy chief of the Beijing agency overseeing Hong Kong affairs, the Post has learned. An analyst said the expected appointment of Wang Linggui, an expert in national security and international relations, indicated the central government's priorities for the city, which has found itself entangled in recent years in the geopolitical tensions between China and the West. <u>SCMP</u>, Feb 3

# **Domestic Policy / Politics**

Carrie Lam to miss Beijing top legislature's annual session opening

Against usual practice, Chief Executive Carrie Lam will be absent from the National People's Congress annual session opening, citing the importance to combat the pandemic. Reportedly, pro-Beijing heavy weights Tam Yiu-chung, Maria Tam and Ma Fung-kwok who leads the delegation will also miss the meetings due to contact with Covid-19 patients. <u>The Standard</u>, Feb 28

### Police arrest owners of Taiwanese drinks shop over social media posts

National security police arrested two owners of a Taiwanese drinks shop on suspicion of committing acts with seditious intention after they posted messages online asking people not to get vaccinated against Covid-19. <u>The Standard</u>, Feb 25

## The leadership election will be postponed by six weeks to May 8

Lam, who has yet to declare any intention to run for a second term, announced the postponement two days after Xi put her government on notice, instructing it to shoulder the "main responsibility" and do everything possible to contain a raging fifth wave of Covid-19. The three new hopefuls aside from Checkley Sin: former DAB member Titus Wu whose attempt is his third, Wong Man-hong and Ahm Warm-sun who are little known to the political circles. Checkley Sin said he does not have Beijing's blessing to run in the city's leadership race. Businessman Checkley Sin, the only person so far to declare an intention to stand in the Chief Executive election in March, said he did not receive any blessing from Beijing before throwing his hat into the ring. At a luncheon talk, he commented that questions about the city's Covid-19 policy and his view of the current administration too "dangerous" to answer amid legal concerns. <u>RTHK, TS, HKFP, ChinaDaily, SCMP2, The Standard</u>, Feb 7, 15, 19

### Andrew Kan named national security department head

An assistant police commissioner, Andrew Kan, has been promoted to head the force's national security department. Both Kan and his predecessor Frederic Choi were among a group of Hong Kong and mainland officials sanctioned by the US in January following the mass arrests of pro-democracy activists. <u>SCMP</u>, Feb 16

**US professor denied visa for teaching in HK, Overseas human right watchdog website blocked** An American law professor had his visa application for a full-time job at the University of Hong Kong (HKU) rejected by the government. Meanwhile, Internet service providers in Hong Kong are blocking the website of a U.K.-based rights group that has been highly critical of the ruling Chinese Communist Party's national security crackdown in the city. The website of Hong Kong Watch can no longer be accessed via PCCW, CMHK, KHBN or Netvigator, the group said in a statement on its website on Monday. <u>HKW press release</u>, <u>SCMP</u>, Feb 2, 14

### New civil servants must complete a basic training programme

The Secretary for the Civil Service, Patrick Nip, said newly appointed civil servants must complete a basic training programme during their three-year probation period. The training would cover areas such as the mission and roles of civil servants, the constitutional order, the One Country, Two Systems principle, national development and the national security law. <u>RTHK</u>, Feb 9

#### NSL: HK resident with Australian citizenship prosecuted for subversion last year

A Hong Kong resident holding Australian citizenship was prosecuted last year for subversion of state power under the national security law and multiple attempts to offer consular assistance were rebuffed "because the individual is deemed to be a Chinese citizen under China's citizenship laws, which do not recognise dual nationality", Canberra confirmed on Tuesday. <u>SCMP</u>, Feb 8

## Nearly 14,500 Hongkongers apply for work, study permits in Canada

Canada announced easier immigration for Hong Kong residents last February, after Beijing imposed the national security law on the city in June 2020, banning acts Record reserve price for Swire hub target of secession, subversion, terrorism and collusion with foreign forces. Canada's relaxed immigration pathway for Hongkongers drew a strong response last year, with nearly 14,500 applying to work or study there as a step towards obtaining permanent residence. <u>SCMP</u>, Feb 6

Secretary for Home Affairs Caspar Tsui resigned after attending an Omicron-hit birthday party Hong Kong leader's handling of her disgraced home affairs minister served as a salutary lesson to officials that they risked the axe if their conduct – even in non-official settings – breached expectations of their role, analysts have said. <u>SCMP</u>, Feb 3

## **Economy / Finance**

#### Bank of America executive to leave the city as exodus continues

Bank of America's co-head of global capital markets in Asia-Pacific is leaving after less than two years as harsh pandemic restrictions prompt an exodus of executives from the territory. The second-largest US bank also launched a review of its Hong Kong business last month to identify staff who could be relocated to Singapore. A total of 23,702 residents departed the city, while there were 5,713 arrivals, meaning that the city saw a net outflow of 17,989 people in two weeks. <u>HKFP</u>, <u>SCMP</u>, Feb 25

#### Inflation slows in January

The city's inflation rose by 1.2% in January 2022 year-on-year, smaller than the increase of 2.4% in December 2021 due to the higher base of comparison in January 2021. "As the fifth wave of local epidemic has taken a heavy toll on economic activities and will likely constrain domestic price pressures, underlying inflation should stay moderate in the near term," said an official representative. TS, Feb 23

## The city applies to join RCEP trade agreement

Hong Kong has submitted an application to join the 15-member Regional Comprehensive Economic Partnership agreement, a mega trade agreement involving countries such as Japan and South Korea, a move that would expand its free trade with the two countries. <u>Nikkei Asia</u>, Feb 23

### IPOs dry up as Ukraine tension, Covid fifth wave sap demand

Companies looking to raise funds through initial public offerings in the city are having to settle for lower valuations as uncertainties stemming from geopolitical tensions, the coronavirus pandemic and China's new rules for offshore listings curb investors' appetite for new shares. **Separately, HSBC said** the strict curbs on travel and social interaction are hurting the economy and may impact the ability to hire and keep staff in the Asian financial hub. <u>SCMP TS</u>, Feb 22

#### Greater Bay Airlines granted five-year licence to operate 104 routes

The Air Transport Licensing Authority has granted Greater Bay Airlines a licence to operate flights to and from Hong Kong for five years. Under the licence, the airline is allowed to carry passengers, cargo, or mail over 104 routes at unlimited frequency to and from HK International Airport. TS, Feb 21

#### Hong Kong General Chamber of Commerce slashes the city's growth forecast

The HK General Chamber of Commerce has revised downward its 2022 growth forecast for the local economy to 1.2%, as it called for more relief measures for businesses in next week's budget. Fitch Ratings, Goldman Sachs, Morgan Stanley also recently cut their GDP estimates for the local economy. <u>RTHK</u>, Feb 17

#### Citi moves equities staff out of the city amid Covid woes

Citigroup is moving half a dozen senior equities staff from Hong Kong to Singapore and other markets, in one of the biggest signs yet the Chinese territory's steadfast zero-Covid approach is prompting global banks to shift key staff out of the Asian financial hub. Meanwhile, top market regulator the Securities

and Futures Commission is warning the city's development as an international financial center is at risk. Grappling with a brain drain due to emigration and job switches, the watchdog lost 12% of its employees last year, including 25% of its junior professional staff, forcing those remaining to work 12-hour days to cover the workload, according to former employees. <u>Bloomberg</u>, Feb 16

## Pernod Ricard asks senior staff in the city to temporarily relocate

French spirits maker Pernod Ricard has asked top executives to temporarily relocate outside the city in order to continue to serve the Asian markets they operate in, as the city becomes increasingly closed off from the world and Beijing prepares to take a greater role in its pandemic response. The move comes as global businesses review the operation risks of staying in the financial hub. <u>FT</u>, Feb 15

## Record reserve price for Swire hub target

Swire Properties has applied successfully for a compulsory sale of an industrial building in Quarry Bay with a reserve price of HK\$5 billion - the highest ever of its kind - in a bid to expand its hub in the eastern part of Hong Kong Island. TS, Feb 8

Introduction of progressive property rates & regulations on crowdfunding campaigns possible Secretary for Financial Services and the Treasury Christopher Hui said the government has been looking at introducing progressive property rates, which will see wealthier people paying more tax. Hui also said that there is preliminary plans for legislations to regulate crowdfunding, as lawmakers cited crowdfunding campaigns that provided legal assistance for individuals involved in protests-related cases. <u>TS</u>, Feb 8

# COVID-19 / Health & Environment

## Citywide lockdown not ruled out says Health chief

Hong Kong's health chief on Monday said authorities have yet to rule out the possibility of a citywide lockdown to accommodate a mass testing scheme. Health authorities had earlier announced a mass testing scheme for Covid will start in mid-March for its 7.4 million residents. Residents would need to test three times under the scheme with daily testing capacity reaching one million. Venues including school campuses could be used for testing and isolation. <u>TS</u>, Feb 28

**Top mainland Chinese expert on Covid to arrive to the city:** Liang Wannian, who heads the National Health Commission's Covid Response Expert Team when the virus hit Wuhan, is to advise the city as daily infections reached a new record of over 26,000 cases. The visit of Liang, by far the highest rank mainland official, showed that Beijing was treating the situation in Hong Kong as dire and requiring top-level guidance. <u>SCMP</u>, Feb 27

### Discharge criteria to be eased, while city allows mainland doctors practice

HK is invoking an emergency law to allow medical professionals from mainland China to treat Covid-19 patients in the city without a licence or registration to work in selected medical facilities. Meanwhile, HK is easing its discharge criteria for Covid patients and close contacts in quarantine, as the city reported 17,063 new Covid notification cases and 66 deaths on Saturday. <u>RTHK</u>, <u>SCMP</u>, Feb 24, 26

### EU Office wrote to Hong Kong government expressing Covid-related concerns

Head of the EU Office to Hong Kong and Macao Thomas Gnocchi expressed concern over the city's pandemic measures in a letter to the Hong Kong government. The letter mentioned an estimate of around 10% EU citizens have left the city and some European corporates relocating their Asia headquarters from the city, due to uncertainties over Covid policies. British and Australian consulates also raise 'serious concern' over separation of parents and babies who test positive. <u>SCMP</u>, Feb 24

Mass Covid testing for all 7.4 million Hong Kong residents in March

- Chief Executive Carrie Lam announced that a compulsory universal testing will be launched amidst the city's fifth wave, with three mandatory tests to be conducted in March and scheduled based on residents' birth year and bookings are required.
- The following are key points:
- Summer holiday in July-August brought forward to March-April for students; schools will be used as testing, isolation and vaccination venues
- Travellers from nine countries, namely Australia, Britain, Canada, France, India, Pakistan, Nepal, the Philippines and the United States, including via transit, banned from returning to the city
- Closure of specified premises, including bars, nightclubs, gyms and hair salons, under current social-distancing rules extended
- Diners in restaurants capped at two per table with ban on evening dine-in services extended
- Most social distancing measures listed above to stay until 20 April

HKFP, Feb 22

The city to implement city-wide mandatory testing, meanwhile Chinese leaving the city The city is set to roll out city-wide mandatory testing for the entire population in March. The scheme will last for three weeks with each individual being tested three times. Police force to prepare for mass testing. In the meantime, Chinese nationals in the city going great lengths to get back to mainland China. <u>Bloomberg1</u>, <u>SCMP</u>, <u>Bloomberg2</u>, Feb 17, 21

## Xi says Hong Kong government must take 'main responsibility' in battling pandemic

Pro-Beijing Ta Kung Pao and Wen Wei Po reported that President Xi Jinping stressed to the local government it must take the "main responsibility" in tackling the coronavirus pandemic, as well as ensuring the city's social stability. He emphasized that the local administration should take all the necessary measures to protect the lives and safety of residents. Xi also asked Vice-Premier Han Zheng, the top state leader overseeing HK affairs, to relay to CE Lam the president's "concern about the pandemic situation in the city and his care for Hong Kong residents". <u>SCMP</u>, <u>RTHK</u>, Feb 16, 20

### High hospital occupancy rate, isolation periods for infected reduced

The overall occupancy rate of the 17 public hospitals was 95%. Amidst the outbreak, authorities further relaxed the discharge criteria for Covid patients in isolation facilities in the hope of freeing up places. <u>HKFP</u>, Feb 17

Chief Executive outlines Covid task force after chief secretary's meeting with mainland officials Chief Executive Carrie Lam announced the heads of five task forces, set up to tackle fast-growing Omicron outbreak, who would co-ordinate with the central government and Guangdong authorities. The plan to create the task followed a meeting held on Saturday in Shenzhen between mainland officials and a Hong Kong delegation led by Chief Secretary John Lee who will also be responsible for coordinating the task forces. <u>RTHK</u>, Feb 14

## Tracking function for Hong Kong's 'Leave Home Safe' app would not be illegal

In the Legislative Council meeting, the Commissioner added that the location tracking function to the LeaveHomeSafe app will not be in violation of the privacy law. The "Leave Home Safe" app was introduced by authorities in late 2020, and has since been made mandatory when entering a growing list of premises, including restaurants and government facilities. HK is further tightening quarantine rules for airline staff, with cargo pilots isolating at home to be tracked with electronic monitoring bracelets and crew on passenger planes who have been in countries with high levels of the virus made to quarantine for 14 days., <u>Bloomberg</u>, <u>SCMP</u>, Feb 8, 10

## Hong Kong urged to maintain 'dynamic zero-Covid' policy, vegetable shortage

Chief Executive Carrie Lam said that the city would stick to a "dynamic zero" Covid-19 strategy to contain the virus. Beijing officials and state media have been urging HK to stick with the "dynamic zero-Covid" strategy. Meanwhile, a shortage of vegetables added to the misery as truck drivers who tested positive for COVID-19 were unable to bring them from mainland China. <u>SCMP</u>, <u>RTHK</u>, <u>Reuters</u>, Feb 7, 8

## Macau

Airport terminal expansion allowing for 10 million annual passengers operational in Q1 The expansion project for the South Extension of Passenger Terminal Building of the Macao International Airport will be completed and put into use in the first quarter of this year, the Civil Aviation Authority of Macao has indicated. The current airport annual capacity will rise to 10 million passengers. <u>Macau Business</u>, Feb 10

## **Special Focus: Budget Speech**

### Hong Kong finance chief unveils USD 21.8 bn budget, packed with sweeteners

Financial Secretary Paul Chan rolled out a spending blueprint worth more than HK\$170 billion (~USD 21.8 bn) for an all-out fight against a raging coronavirus pandemic. Chan also tried to help struggling businesses and hard-hit people with a new round of HK\$10,000 (~USD 1'282) consumption voucher, tax breaks, loans and rental relief. <u>SCMP HKFP FT The 2022-2023 Budget</u>, Feb 23

- Paul Chan remains ambiguous about his intention to run for Chief Executive election
- ~USD 8.7bn set aside for Covid-19 fight. SCMP
- Police vehicle and gear budget to quadruple; salaries to see 12% rise. <u>HKFP</u>
- Over USD2 bn earmarked to turn the city into key innovation, technology hub. <u>SCMP</u>

612.0 - FRE/SFA/FIT/WMI

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

Disclaimer

This is a review of the Hong Kong media and does not necessarily represent the opinion of the Consulate General of Switzerland. The Consulate General of Switzerland in Hong Kong does not bear any responsibility for the topicality, correctness, completeness or quality of the information provided. Liability claims regarding damage caused by the use of any information provided, including any kind of information which might be incomplete or incorrect, will therefore be rejected.