

June in Hong Kong

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

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## Switzerland

### Switzerland closes airspace after computer glitch

Switzerland closed its airspace on Wednesday after a computer glitch with the air traffic control system grounded flights, officials said. The Swiss news agency ATS-Keystone said international flights to Switzerland were being re-routed to Milan. [RTHK](#), June 15

### Hong Kong ranked world's fifth most competitive place, Switzerland 2nd

Hong Kong has been ranked the fifth most competitive place in the world by the International Institute for Management Development (IMD), up from seventh last year. The Switzerland-based institute named Denmark the most competitive country, for the first time in the annual report's 34-year history. **Switzerland** came in second, followed by Singapore and Sweden. The United States was ranked 10th and China took 17th place. [RTHK](#), Jun 15

## Foreign Policy / International Relations

### British MPs call for sanctions over breaches of handover agreement

A group of British lawmakers have called on the government to impose sanctions on Hong Kong and Chinese officials for undermining freedoms guaranteed under the Sino-British Declaration. Some questioned why the British government has not joined the US and other allies in imposing sanctions over the national security law imposed in 2020 and other challenges to Hong Kong's autonomy. The British government said that they are keeping sanctions 'under review'. [SCMP](#), Jun 29

### EU's report on Hong Kong SAR a twisted narrative

Despite destructive chaos right in Europe's own backyard, its politicians still find substantial time to lecture China on how its Hong Kong Special Administrative Region should be run. The European Union recently released its 'Annual Report on Hong Kong for 2021', accompanied by some predictably disparaging commentary about the claimed deterioration of fundamental freedoms in Hong Kong. The EU never felt the need to conduct such surveys on Hong Kong when the British ran the territory, governing for over 140 years by relying on a governor-dominated, democracy-free system. China does not unilaterally intrude into the internal affairs of other nations in this way. [China Daily](#), Jun 4

### Western envoys in Hong Kong ignore Beijing appeal on Tiananmen crackdown

Several Western consulates in Hong Kong ignored Beijing's appeal not to openly comment on the 1989 Tiananmen Square crackdown, while some residents chose to mark the occasion in a low-key manner on Saturday evening following a ban on an annual vigil. [SCMP](#) [HKFP](#) [HKGov](#), Jun 4

### John Lee meets senior Singapore official, reaffirms commitment to maintaining warm bilateral ties

In a statement, the government said chief executive-elect John Lee welcomed Senior Minister and Coordinating Minister for National Security of Singapore Teo Chee Hean to his office. Teo is the first foreign official Lee has met after he won the chief executive election on May 8 and received his letter of appointment from Chinese Premier Li Keqiang on Monday. During Wednesday's meeting, Lee shared with Teo direction for Hong Kong's future development and policy vision of sixth-term government. It is said that Teo and Lee affirmed the warm and friendly ties between Singapore and Hong Kong, and took stock of bilateral cooperation in a wide range of areas. [SCMP](#) [HKGov](#), Jun 1

## Domestic Policy / Politics

### 30 June marks the 2<sup>nd</sup> anniversary of Hong Kong's National Security Law

Since the imposition of the national security law on 30 June 2020, almost 200 people had been arrested for allegedly endangering national security. Many arrestees are prominent figures including the 47 democrats, journalists from the now-defunct *Apple Daily* and *Stand News*, former lawmakers, scholars and even Cardinal Joseph Zen. *Inmedia* reported that 83 people are still remanded in custody. Nearly half of them have been remanded for more than a year, with the maximum at 660 days. For the 12 cases that have been concluded, the conviction rate is 100% with a maximum sentence of nine years in prison. A report from UK-based non-government organisation HK Labour Rights Monitor indicated that at least 62 unions were disbanded, one was banned, and 11 union organisers were arrested or prosecuted. Secretary for Security Chris Tang said foreign forces and their local agents still want to undermine the stability of HK and the nation through various means, and the authorities must stay on high alert. [HKFP](#), Jun 30

### Hong Kong plunges lower in global human rights index

Hong Kong has plunged further in the Human Rights Measurement Initiative (HRMI) report, bringing it closer to converging with China. It is reported that Hong Kong's political rights dropped dramatically after a crackdown on the 2019 pro-democracy protests and the introduction of the national security law in 2020.

In 2021 it plunged even further, dropping to second-last place in empowerment rights, falling below Vietnam and bringing it on par with Saudi Arabia's margin of error. [The Guardian](#), Jun 22

### **Director pulls film from screening after authorities say it could incite hatred of government**

'The Dancing Voice of Youth,' which was chosen as a finalist in the HK Arts Centre's five Awards, will not be shown at the two-day event on July 2 and 3. The decision came as director Erica Kwok was informed by the Office for Film, Newspaper and Article Administration that the 21-minute film had not passed evaluation as it contained 'ungrounded statements' that could mislead viewers into thinking the government abuses its powers to curb the protests. It had the potential to incite hatred against the government, and could not be screened unless changes were made. Kwok refused to make changes. [HKFP](#), Jun 22

### **76% of youth identify as 'Hongkongers', 2% 'Chinese'**

Only 2% of Hong Kong's youth identify as 'Chinese', a drop from 5.4% some six months ago, according to a half-yearly tracking poll from the Hong Kong Public Opinion Research Institute. However, the result shows an increase of residents' sense of being 'Chinese', with the latest rating at 6.52 on a scale of zero to 10, up from 6.13 last time, also the highest since the poll in December 2018 when the rating was 6.6. Meanwhile, it was highlighted by pro-Beijing media that more than 76% of respondents supported the central government's assistance to anti-pandemic work. Analysts attributed it partly to the recent wave of emigration and also urged incoming leader John Lee to step up youth work to win back their hearts. [SCMP](#) [HKFP](#), Jun 21

### **All teachers in local schools to swear allegiance and books that endanger NSL to be removed**

Education secretary Kevin Yeung said schools were given 'very clear' guidelines for choosing library books, brushing aside concerns over self-censorship at schools while maintaining that it was their duty to ensure they did not have any titles that might endanger national security. Meanwhile, the Education Bureau said that native-speaking English Teachers (NETs) and advisors working in government-run schools must sign a declaration by June 21 in order to continue working in the coming school year. NETs must declare they will bear allegiance to Hong Kong and uphold the Basic Law as well as be responsible to the government. 'Neglect, refusal or failure' to sign the declaration will lead to contract termination. A government spokesperson said the new declaration will 'further safeguard and promote the core values that should be upheld by all government employees' and ensure effective governance. Since 2020, Hong Kong has applied oath-taking requirements to an increasing number of jobs, mainly those in the public sector, as a way to fulfil Chinese government demands of loyalty. [TS](#) [HKFP](#) [RTHK](#), Jun 6, 7, 12

### **Factwire: 4<sup>th</sup> news platform to shutter in under a year**

Hong Kong investigative news wire Factwire has announced it is disbanding with immediate effect without giving a clear account of the reason why. In an online statement posted on Friday, the independent news platform said it had adhered to the 'highest standards of journalistic integrity' during its operations, but the media has contended with great change in recent years. It is the fourth, major independent news platform to disband in under a year, after Apple Daily, Stand News and Citizen News shuttered under pressure. FactWire was a crowd-funded, bilingual news outlet founded in 2015 that conducted deep dives into local affairs, often breaking stories later picked up by media and prompting responses from the government. [HKFP](#) [RTHK](#) [TS](#), Jun 10

## **Economy / Finance**

### **China asks foreign business leaders how to revive Hong Kong in rare move**

Sources said the Liaison Office of the Central People's Government in Hong Kong has met the chief of various foreign business chambers in early June to solicit views on how to revive Hong Kong's economy. It is said that the chambers responded with one top-priority message: complete the quarantine as soon as possible. The unprecedented listening session is said to be a major change from the previous exchanges spoken by officials through interpreters, and the Chinese side is really interested in understanding the problems faced by foreign companies. It is said that mainland officials in attendance listened primarily while other staff took notes. An attendee said the meeting was conducted in English and lasted 90 minutes and included Wang Danfeng, a key member of the economic sector. [TS](#), Jun 24

### **After Fed's interest rate hike, global capital flows and geopolitical risks are biggest challenges**

Following the Federal Reserve's biggest one-time increase in 28 years, the Hong Kong Monetary Authority (HKMA) increased the city's cost of money. The increase, effective immediately, raised HK's base rate by 75 basis points to 2%, the city's de facto central bank said in a statement. Eddie Yue, chief executive of the HKMA, said that HK will continue to see volatile ebbs and flows of capital in the foreseeable future as rival geopolitical forces buffet its open economy. He said the HKMA has already seen some capital outflow from the HKD market after the US Federal Reserve raised interest rates. He said the trend will continue and HK is just at the beginning of the interest rate rise cycle. Yue said the spillover effect of the geopolitical tensions means HK faces a lot of market volatilities. He reiterated that Hong Kong has no plan to change its currency peg. The HKMA bought the local dollar (USD 10bn) at the fastest pace on record to defend its

currency from crossing the weak end of its trading band and it was the largest for a single day as per Bloomberg data going back to 2003. The currency still continues to linger near the weak end of its 7.75-to-7.85 per greenback trading band. [SCMP](#) [SCMP2](#) [RTHK](#) [TS](#) [Bloomberg](#), Jun 13, 16, 22

### **Tax revenue rises by 14% to hit record EUR 45.3bn**

The Inland Revenue Department reported a record tax revenue of EUR 45.3bn in year 2021/22 even as fewer people paid salaries tax and corporations earned less money amid the economic downturn, marking an increase of 14%, or EUR 5.2bn, comparing to last year's numbers. The increase was partly due to an earlier holdover of payments of profits tax, which took up the largest cut of the tax revenue at EUR 20bn after it jumped by 23%, or EUR 3.8bn, from last year's EUR 16.2bn. The department said that in year 2020/21, 31 000 cases of 'departure tax clearance' were processed while in year 2021/22, the number of cases increased by 80% to 56 000. Commissioner of Inland Revenue Tam Tai-pang said employers must notify the department and ask the taxpayer to clear the tax if he/she has left Hong Kong for more than one month. [SCMP](#) [RTHK](#) [HKGov](#), Jun 1

## **COVID-19**

### **Hong Kong's New Health Chief Staunchly Defends Zero COVID**

For Hong Kong residents hoping the city will end its strict quarantine policies soon, the city's new health secretary isn't likely to inspire confidence. Lo Chung-mau, approved by Beijing over the weekend as part of new Chief Executive John Lee's Cabinet, made headlines in February saying that Hong Kong needed to maintain Zero COVID because living with the virus would "get us all killed." At the time, he said the US and Europe were only easing restrictions because they failed to control Covid-19. [Bloomberg](#), Jun 20

## **Macao**

### **Financial reserve decreases for fourth consecutive month**

Macao's financial reserve lost value for the fourth consecutive month, registering a MOP18.44 billion (EUR2.17 billion) month-to-month in April, according to information published in the Official Gazette by the Macao Monetary Authority. The financial reverse of Macao amounted to MOP613.02 billion (EUR72.2 billion) at the end of April. [Macao Business](#), Jun 29

### **Third round of mass testing for all Macao residents**

In a push to curb infections, mass testing has been ordered. [The Standard](#) [Macao News](#), Jun 28

### **Monetary authority raises discount window base rate to 2%**

The Monetary Authority of Macao (AMCM) raised the base rate for the discount window by 75 basis points from 1.25 to 2% today. According to AMCM, as the Macao pataca is linked to the Hong Kong dollar, the movements policy rates in Hong Kong and Macao should be 'basically consistent' in order to maintain effective operation of the linked exchange rate system, which followed the Hong Kong Monetary Authority to adjust its base rate. Under the linked exchange rate system between the Hong Kong dollar and the US dollar, the related policy rate adjustment of Hong Kong was based on the policy action by the US Federal Reserve to raise the Fed funds rate target range by 75 basis points on 15 June. [The Macao News](#), Jun 16

### **Non-local workers of all nationalities to be allowed in from Monday**

Leong Lek Hou, head of the Communicable Disease Prevention and Control Division of the Health Bureau, announced that non-resident workers (NRW) of all nationalities will be accepted to enter Macao from next Monday after considering the needs of Macao's civil society and assessing the city's Covid-19 situation. The new measures will allow foreign NRWs to apply to enter Macao from Taiwan or foreign countries, and permit them to come from mainland China without having to apply for entry beforehand. It covers all non-local workers – regardless of their occupation. [Macao Daily Times](#), Jun 9

## **Special Focus: HKSAR's 25<sup>th</sup> anniversary & inauguration of new Chief Executive**

### **HKSAR 25: Looking back**

Media outlets look back at a quarter century of growth and challenges, the highs and lows of 25 years under 'one country, two systems'. [RTHK](#) [TheGlobalHerald](#) [ChinaToday](#) [GlobalTimes](#) [SCMP](#) [DailyMail](#) [Reuters](#) [Bloomberg](#) [HKFP](#), Jun 27, 29, 30

### **Multiple media outlets barred from inauguration of John Lee and July 1 celebrations**

Chinese leader Xi Jinping and wife Peng to be attending the inauguration of incoming leader John Lee and the celebration of 25th anniversary of the Handover in HK. Police have thrown a security blanket around the downtown areas where the couple are expected to visit and the main events for the anniversary will be

held. The largest press group in Hong Kong has expressed “utmost regret” after journalists from at least seven local and international media organisations were denied access to cover events celebrating the 25th anniversary of the city’s return to Chinese rule. Gov’t denies more journalists access to July 1 celebrations, as press group expresses ‘utmost regret’. Ming Pao, HK01, South China Morning Post, Now News and Agence France-Presse were affected, according to the HKJA, whilst HKFP confirmed with sources that Reuters and Bloomberg also saw rejections. The government responded that suitable media arrangements are adopted after taking into consideration the latest epidemic situation, security requirements and venue constraints. [HKFP](#) [HKFP2](#) [SCMP](#) [CNN](#), June 16, 29, 30

### **‘Closed-loop’ arrangement for government officials ahead of President Xi’s visit on 1 July**

President Xi Jinping will attend celebrations for the 25<sup>th</sup> anniversary of the handover and the swearing-in of chief executive-elect John Lee’s administration next week. Huge water barriers were placed and security has been stepped up in Wan Chai North near the Hong Kong Convention and Exhibition Centre, the venue for Lee’s inauguration ceremony. Top government officials and some school pupils were also said to be asked to undergo a quarantine period as part of a “closed-loop” arrangement ahead of Xi’s journey. [HKFP](#) [RTHK](#) [RTHK1](#) [HKFP](#) [SCMP1](#) [SCMP2](#) [TS1](#) [TS2](#) [TS3](#) Jun 21, 22, 25

### **Incoming Hong Kong leader’s new cabinet, while Beijing lays out key expectations**

Beijing on Sunday announced the appointment of Hong Kong’s principal officials to incoming leader John Lee’s cabinet, hailing it as a ‘diversified team’ while also laying down its expectations for the new administration to unite society and make ‘greater achievements’. Lee’s 26-member team includes seven incumbent political appointees, two undersecretaries, six serving or retired civil servants and four lawmakers. Chief Executive’s Office director Eric Chan will take up the role of No 2 official as the chief secretary. Lee described his team as united and loyal. The Hong Kong and Macau Affairs Office describes the new cabinet as meritocratic which would help Hong Kong integrate nationally and raise the city’s profile overseas. The office also lays out five expectations for incoming administration, especially on tackling housing and addressing wealth gap. The Secretary for the Civil Service, Patrick Nip, and the Secretary for Commerce and Economic Development, Edward Yau, will leave the government, sources say [TS1](#) [SCMP1](#) [HKFP1](#) [RTHK1](#) [TS2](#) [SCMP2](#) [RTHK2](#) [HKFP2](#) [TS3](#) [Bloomberg](#) [TS4](#), Jun 16, 17, 19, 20, 28

### **John Lee: countering city’s critics, plans to reopen borders and completing legislation of Art. 23**

In an interview with *SCMP*, chief executive-designate John Lee has promised to adopt a more aggressive approach to countering ‘fearmongering and badmouthing’ by critics of the city, insisting that being sanctioned himself by the United States would not stop him from promoting the city overseas. Meanwhile, Lee said that he is working on a strategy to reopen Hong Kong’s borders with mainland China and the rest of the world. His newly appointed health chief, Lo Chung-mau, would conduct a review of the city’s Covid-19 situation ‘very quickly’ and come up with interim measures to reduce inconveniences for travellers. In another interview with stated-owned *People’s Daily*, Lee said completing the legislative work of Basic Law’s Article 23 is the SAR’s constitutional responsibility. He and his new cabinet will focus on protecting China’s sovereignty, national security and benefits apart from the SAR’s economic development and improving livelihood. [TS](#) [SCMP1](#) [SCMP2](#), Jun 22, 23

### **John Lee reveals members of advisory body Executive Council**

Lee’s 16-member Executive Council includes seven new non-official members, of whom three are local deputies to the national committee of the Chinese People’s Political Consultative Conference. They are solicitor Eliza Chan, the election agent of Lee’s campaign; former Hang Seng Bank chief executive Margaret Leung; and former secretary for food and health Ko Wing-man. New People’s Party chairwoman Regina Ip will be the first lawmaker and the first woman to be appointed Exco convener since the handover. Ip said that the Exco members are experienced and broadly representative, and will support Lee. She will not be resigning from her party’s chairwoman as she cannot see any conflict of interest. The average age of the Exco members is 65.7, the highest among all past cabinets. [TS](#) [HKFP](#) [SCMP](#) [RTHK](#), Jun 23

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