


# Press Review Hong Kong

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## Switzerland

### UBS Wins Mandates for Two Chinese Listings in Zurich

UBS Group AG has been selected to arrange the Swiss share sales of two Chinese companies, people familiar with the matter said, as a flurry of firms are capitalizing on an expanded link between stock exchanges in China and Europe. [Bloomberg](#) Sept 9

### HK set to lift wealth hub crown from Switzerland

Hong Kong is expected to overtake Switzerland next year to become the world's largest cross-border wealth management center by assets under management, says an advisory body set up by the government. To capture future opportunities, the Financial Services Development Council has proposed enhancements to existing regimes in the latest report, says its chairman, Laurence Li Lu-jen. The report mainly focuses on five areas: know-your-customer practices, professional investor regime, suitability framework, tax treatments, and education and talent development. [TS](#) Sept 8

### Billionaire Defends Bonus He Paid Convicted Credit Suisse Banker

The billionaire fraud victim suing a Credit Suisse Group AG trust for \$800 million said he'd paid a \$1.5 million bonus to the rogue banker at the heart of the scandal because at the time he'd seemingly been delivering a good performance. Georgian tycoon Bidzina Ivanishvili told a Singapore court that while transfers to Patrice Lescaudron from 2008 went to private accounts without Credit Suisse's knowledge, he was too busy to be involved in the logistics of how and where the money was paid. [Bloomberg](#) Sept 7

## Mainland

### Xi's views may be enshrined on 'one country, two systems' principle in Communist Party's charter

Chinese President Xi Jinping's views on the "one country, two systems" principle governing ties between HK and the rest of the nation may be added to the Communist Party charter at next month's congress, political pundits have said, interpreting a lengthy article on the city published by a top policy body. The Beijing-based body is a policy coordination group within the party's Central Committee, comprising top party leaders who oversee the State Council-level Hong Kong and Macau Affairs Office. [SCMP](#) Sept 10

## Foreign Policy / International Relations

### US to start review of Chinese audit documents next week in Hong Kong

US watchdogs will review the audit documents of Chinese businesses that trade in New York starting next week, according to Securities and Exchange Commission Chair Gary Gensler. The inspections will take place in HK under a preliminary agreement reached between American and Chinese regulators. [Bloomberg](#) Sept 16

### Liz Truss 'to carry on Britain's hawkish stance' towards HK authorities, say analysts

Political analysts expected that New British Prime Minister Liz Truss will maintain Britain's hawkish stance towards the Hong Kong government and the BN(O) visa scheme is likely to continue. However, analysts predicted that London would not launch any new measures targeting Hong Kong or its officials, as the leader would be focused on soaring energy prices and living costs at home. [SCMP](#) Sept 7

## Domestic Policy / Politics

### Press freedom index sinks to new low for the third consecutive year as media outlets disappear

At the annual survey conducted by Hong Kong Journalists Association, the press freedom ranking stood at 26.2 this year, down from 32.1 last year, the steepest decline since the group compiled the index in 2013. 97% of the surveyed journalists said press freedom had gotten 'much worse' in the past year, and 93% cited the government as the source of suppression. The group believed that the environment for news reporting had 'drastically deteriorated over the past year' citing the closure of Apple Daily last June as well as Stand News, which closed last December, and Citizen News this January. [HKFP](#) Sept 25

### Beijing lashes out at FCC over Ronson Chan's arrest

The Chairman Ronson Chan of HK's largest journalists group HK Journalists Association was arrested on allegations of obstructing police, in the latest case to fan concerns about press freedom in the city. Meanwhile, Chan said in a text message to Bloomberg News he had been released without charge, and would need to report to police later this month. The Foreign Correspondents' Club expressed concern over the arrest of Chan, the head of the Journalists Association yesterday. The Commissioner's Office of the Chinese Foreign Ministry in HK accused the club of making use of every opportunity it gets to attack the government and support anti-China forces, which fully exposed their intention of disrupting HK in the name of press freedom. The Office added there is no absolute press freedom anywhere in the world and all journalists in Hong Kong must abide by the law. [Bloomberg](#) [Bloomberg2](#) [Guardian](#) [RTHK](#) [SCMP](#) [HKFP](#) [FCC COCFM](#) Sept 7 & 8

### **Speech therapists jailed for 19 months over seditious children sheep books**

The five executive committee members of the General Union of HK Speech Therapists, aged between 26 and 29, have each been sentenced to 19 months in jail under the colonial-era sedition law. They were convicted by District Judge of publishing a series of illustrated books that effectively 'brainwashed' young readers. Since the group has been detained for more than a year already, defence lawyers estimated that the speech therapists could be released in about a month. Authorities have cracked down on dissent in HK since pro-democracy protests in 2019, arresting dozens of activists while others have fled abroad. The clampdown has led to criticism that China's ruling Communist Party has reneged on a 1997 pledge when HK was handed over from Britain to China to retain the city's Western-style freedoms, including free speech. [HKFP](#) [TS Bloomberg Reuters](#) Sept 7 & 10.

## **Economy / Finance**

### **Domestic consumption voucher can drive economic growth, counter high borrowing costs**

Hong Kong's retail consumption is likely to pick up in the coming months as easier social-distancing rules open the way for business and leisure travel to resume, delivering a much-needed boost to help the services-dependent economy offset the pain of rising borrowing costs, the city's de facto central banker Eddie Yue said. And added that the recent relaxation of Covid-19 rules could help boost domestic consumption, which has been suppressed in the past year. [SCMP](#) Sept 30

### **Hong Kong to launch trial of e-HKD digital currency in fourth quarter**

The HK Monetary Authority said the pilot scheme, which will be accompanied by law changes and digital infrastructure to support the e-HKD, marks the city's latest effort to catch up with other central banks that are launching virtual currencies. It will involve selected banks, payment companies and other technology firms and will aim to examine the usage of the digital currency among their staff and a small number of clients. To support the e-HKD as legal tender, the HKMA will prepare to propose a law change, and establish the necessary technology infrastructure to support it. Once these are finalised, the bank will determine the exact launch date. [SCMP](#) [SCMP2](#) Sept 20 & 29

### **Global Financial Leaders' Forum: Lee confident SAR summit won't be upstaged by Lion City event**

HK is hosting a financial summit for global bankers from 1 to 2 November while Singapore's Fintech Festival is set from 2 to 4 November expecting more than 60 000 participants. Chief Executive John Lee said Hong Kong still has a strong competitive edge against its rivals and dismissed worries that the Lion City event might outperform the HK. Thirty CEOs of banks including Goldman Sachs, HSBC, Standard Chartered and UBS among some 200 representatives from over 100 major institutions including banks and securities firms will attend the Global Financial Leaders' Forum on November 1 & 2 summit. Blackstone president Jonathan Gray, Goldman chairman David Solomon and UBS chairman Colm Kelleher will speak during a public forum on November 2. [TS](#) [SCMP](#) [SCMP2 Bloomberg RTHK](#) Sept 14 & 29

### **Hong Kong's exports plunge most since pandemic first began**

The Census and Statistics Department said exports plunged 14.3% last month from a year earlier, the biggest drop since January 2020 and the fourth consecutive month of decline. The biggest declines came from exports to Japan, which plunged 24.7% from a year earlier, and to mainland China, which contracted 19.4%. [TS Bloomberg HKStat](#) Sept 26

### **Hong Kong most likely to end the year in recession; budget to see HK\$100 billion deficit**

Financial Secretary Paul Chan wrote in his [blog](#) saying that the fiscal situation has been affected dramatically by the epidemic and external markets, with a negative growth of commodity exports and a weak stock market and a property market. He predicted that the fiscal deficit could exceed HK\$100 billion (EUR12.7 billion), almost double the estimated in the budget, marking the second highest record ever.

There's also a very high chance for HK to record a negative GDP growth for this year, adding that interest rates were being raised 'at a pace that was never seen in the past three decades'. Chan also said that the interest rate hike in the US will likely slow down external demand and hit HK's exports, but said he does not think it will lead to any sharp drop in the city's property market. [TS](#) [SCMP](#) [RTHK](#) [HKFP Bloomberg](#) [HKFP2 TS2 RTHK2](#) Sept 18 & 22

### **HK stocks lowest since Dec 2011, heighten recession worries**

The Hang Seng Index sank 2% to 18 081.19, a level not seen since December 2011, following more than 1% drop in equity markets across Asia-Pacific. The stocks slumped on concerns that more interest-rate increases will crush consumption, damage corporate earnings and push the global economy into a recession. The Hong Kong Monetary Authority lifted its base rate by 75 basis points to 3.5% with immediate effect yesterday, the highest since the global financial crisis in 2008, in lockstep with the same increase by the Federal Reserve. [SCMP](#) Sept 22

### **Singapore overtakes Hong Kong in new global financial centre ranking**

Latest rankings from the Global Financial Centres Index showed that New York remains far and away the world's most favoured financial centre, with London still second and Singapore overtaking Hong Kong to come in third. A government statement said that Hong Kong saw an increase in the overall rating in the

GFCI report, without responding directly to Hong Kong being overtaken by Singapore in the ranking. [TS SCMP GFCI HKGov](#) Sept 22

### **Zero-COVID policy has cost Hong Kong its aviation hub status, says IATA**

Director General Willie Walsh of the airlines group said China's zero-COVID policy had 'devastated' Hong Kong and hit airline Cathay Pacific hard. He warned that the industry's recovery from the pandemic would be slowed if Beijing continued its restrictions next year. [TS Reuters](#) Sept 21

### **Jobless rate falls further to 4.1%**

The latest jobless rate for the June to August period stood at 4.1%, inching down 0.2 percentage points from the May-to-July figure. Around 161 900 people remain jobless. Unemployment eased for a 4<sup>th</sup> straight month as domestic activities further picked up, but the government warned that tightened financial conditions may limit the degree of improvement in the labour market. [RTHK HKFP SCMP HKGov](#) Sept 19

### **Hong Kong out of top 10 world's wealthiest cities with fewer millionaires**

According to a latest report by London-based investment firm Henley & Partners, HK saw its ranking fell to the 12<sup>th</sup> place with a 14% year-on-year decrease in the number of millionaires. Currently there are about 125 100 millionaires in the city. Singapore, always considered a strong rival for Hong Kong, ranked the 5<sup>th</sup> with 249 800 millionaires, while Beijing and Shanghai also made themselves into the top 10. [TS](#) Sept 14

### **Hong Kong crowned world's freest economy for 26th year**

Canada-based think tank Fraser Institute ranks Hong Kong the world's freest economy again but the group warns result doesn't show 'China's interference'. City's rating fell by 'stunning' 0.28 points, with think tank noting decline was much larger than world average. City government welcomes ranking, but hits out at 'unfair' comments. The next highest-scoring nations are Switzerland, New Zealand, Denmark, Australia, United States, Estonia, Mauritius and Ireland. [SCMP](#) Sept 9

### **Departing Hong Kong residents took HK\$2.1 billion from pensions in Q2**

Government data showed that residents leaving Hong Kong for good withdrew a total of HK\$2.114 billion (EUR268.44 million) from their pension accounts in the second quarter of 2022, up 0.9% from a year earlier. According to official figures, a net outflow of 113 200 people from the city was recorded between mid-2021 and mid-2022. [TS Reuters](#) Sept 7

### **Hong Kong Stock Connect Program Expansion to Lure Overseas Firms**

Financial Secretary Paul Chan wrote on his blog that China's move to allow more Hong Kong-listed overseas companies to be included in the stock connect program with the mainland will help attract more foreign firms to go public here. [TS1 Bloomberg TS2](#) Sept 2, 5 & 6

### **Credit Suisse Hit by Key Private Bank Resignations in Hong Kong**

Credit Suisse Group AG has been hit by two senior private banker resignations in HK as the Swiss lender targets a global overhaul following a wave of scandals that triggered billions of dollars in losses. The Swiss bank is struggling to retain talent as it battles weak staff morale with its share price at record lows and a looming revamp of mainly its investment bank. It's weighing cutting thousands of roles globally, to slash its overall cost base by an additional \$1 billion in an overhaul led by its new chief executive officer, Ulrich Koerner. [Bloomberg](#) Sept 2

### **HK offers cash grants and relax rules to lure ESG, fintech talents**

Secretary for Financial Services and the Treasury Christopher Hui said that the government plans to offer cash subsidies and ease immigration requirements to attract ESG and fintech talents. A new round of cash grants totalling EUR1.28 million is up for grabs for fintech start-ups from 10 September. The government will also dedicate resources towards developing local ESG talent by providing them with the requisite training to acquire the necessary knowledge and skills. [SCMP](#) Sept 2

## **Culture / Science / Law**

### **2K hectares of land in northern Hong Kong identified for development**

Think tank calls for government to begin developing infrastructure ahead of ambitious North Metropolis and Lantau Vision Tomorrow projects. They have identified 2,000 hectares (4,942 acres) of land in northern Hong Kong suitable for development but which will require building two new highways and a rail line running from the urban centres to the border with mainland China to ensure easy access. [SCMP](#) Sept 19

### **Biggest drug bust: 900kg cannabis and 1kg Ice worth over HKD194 mio (USD25 mio) confiscated**

According to the police force, the drugs were found in three industrial buildings on Friday and the weight of cannabis buds exceeded the amount impounded by all law enforcement departments between January and July. [SCMP](#) Sept 18



## Emigration and tough Covid-19 curbs continue to dent student population

Hong Kong schools were forced to slash 67 Primary One classes this academic year as the student population continues to fall amid an emigration wave and the Covid-19 pandemic, according to the latest statistics. The reduction in classes means about 1,675 spots were shed this academic year. [SCMP](#) Sept 2

## COVID-19 / Health

### End of hotel quarantine: HK airfares skyrocket in response/ Chamber calls to end all Covid curbs

HK Chief Executive John Lee announced an end to hotel quarantine and negative PCR test result before boarding as of Sept. 26 at a press conference Friday afternoon. Travelers looking to leave HK after 2.5 years of Covid-isolation face the prospect of paying sky-high airfares after the announcement on Sept. 23. However, critics say that this is not enough to attract tourists. However, the Hong Kong General Chamber of Commerce called for the government to quickly scrap its remaining Covid-19 pandemic curbs, saying that even the move to end hotel quarantine for arrivals has come too late to turn the economy around before the end of the year. [SCMP](#) [Bloomberg1](#) [Bloomberg2](#) [Bloomberg3](#) Sept 23 & 26

### Positive arrivals can stay in hotel rooms and no jabs for incoming mainlanders

Under current measures, inbound travellers in their quarantine hotels are moved to community isolation facilities in Penny's Bay or Kai Tak after testing positive. The government said the new arrangement would save confirmed cases from traveling and enable better utilisation of manpower and vehicles. Furthermore, Chief Executive John Lee said the Covid infection risk in the mainland is the lowest in the world and this is why a rule requiring people arriving in Hong Kong to be vaccinated does not apply to mainlanders. [RTHK](#) [HKFP](#) [RTHK2](#) [SCMP](#) Sept 13 & 14

### First monkeypox case confirmed in resident returning from overseas

A 30-year-old male resident was tested positive for monkeypox after returning from the Philippines. He is the first monkeypox case reported in HK. Health officials said the risk of local transmission was 'very low' as the patient had reported feeling unwell while in hotel quarantine. [HKFP](#) [SCMP](#) [TS](#) [RTHK](#) Sept 6

### Mainland support for 'reverse quarantine' travel from HK to Guangdong, says John Lee

After a virtual meeting with officials from Guangdong province, Guangzhou and Shenzhen, Chief Executive John Lee said they have expressed support for a 'reverse quarantine' scheme enabling residents to quarantine in Hong Kong before travelling across the border to Guangdong province. Lee said that a special task force would be formed and led by Chief Secretary for Administration Eric Chan to work out the logistics for the scheme in which isolation facilities at Lok Ma Chau Loop are likely to be in use. [TS](#) [SCMP](#) Sept 1

## Macao

### Dismal outlook forecast for economy with GDP possibly drops by 29%

According to the latest research by the University of Macau, the city's gross domestic product could drop by up to 29% as Macao was hard hit by the summer Covid-19 outbreak, and the government is still implementing extremely strict entry curbs for arrivals. [MNM](#) [MPD](#) Sept 29

### Commercial banks raise prime rates for the first time in four years

Most commercial banks have increased their best lending rates for borrowers by 12.5 basis points to 5.375%, marking the first time in four years for local lenders to do so. These moves followed the latest interest rate hike of 0.75 percentage points by the Federal Reserve in the US last week. [MB](#) Sept 26

### January-July imports fall 11.8% year-on-year to MOP 78.39 billion

The Statistics and Census Bureau announced that Macao's merchandise imports fell 11.8% year-on-year to MOP 78.39 billion (EUR9.73 billion) in the first seven months of the year, while total exports of goods (domestic exports and re-exports) dropped 0.4% to MOP 7.76 billion (EUR99 million). [MPD](#) Sept 9

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