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### **Switzerland**

#### Swiss art gallery Hauser & Wirth open new space in Central

Founded in 1992 in Zurich, Switzerland, Hauser & Wirth set up its first Asia outpost in Hong Kong six years ago. Now at the new ground-level location, the total gallery space, excluding private viewing rooms, is around a third larger than the previous location, a move that the gallery says aims to make art more accessible. Most importantly, the gallery's artists are thrilled to be in a far more visible space, says Asia managing partner Elaine Kwok. <a href="SCMP">SCMP</a> Jan 22

#### Hongkongers told Toblerone chocolate batch may be contaminated with plastic

Hong Kong authorities have warned consumers against eating a batch of Toblerone chocolate from Switzerland due to potential plastic contamination. The product "Milk Chocolate with Honey and Almond Nougat" bars (100 grams) imported from Switzerland might contain "plastic foreign matter" and the public and businesses should not consume or sell them, the Centre for Food Safety said on 22 January. The importer and distributor also confirmed to the authority that a recall was initiated and the affected batch had already been removed from shelves. <a href="SCMP">SCMP</a> Jan 22

### Chief Secretary to attend UNHRC review

The government announced on 19 January that Chief Secretary Eric Chan will attend the Universal Periodic Review Working Group of the United Nations Human Rights Council in Geneva on 23 January where the human rights record of China will be examined for the fourth time. At least seven countries have submitted 13 issues related to Hong Kong in advance, marking a record high number of enquiries. The United States, Britain, the Netherlands and Switzerland have asked the Hong Kong government whether it would abolish the Beijing-imposed National Security Law as recommended by the UN Human Rights Committee last year. UN HKGov Jan 19

# Chinese Premier Li Qiang pledges closer Swiss ties as he opens European trip / WEF Davos

Chinese Premier Li Qiang embarked on a European trip, starting with a visit to Switzerland, where he pledged to enhance cooperation between the two countries. The visit coincided with the 75th anniversary of diplomatic ties between China and Switzerland. Accompanied by Swiss President Viola Amherd, Li emphasized China's commitment to modernization and invited Swiss enterprises to increase their investments in China. As the overseer of China's economy, Li lauded Switzerland's innovation and highquality products. Premier Li's attendance at the WEF marked China's high-level participation since President Xi Jinping's presence in 2017. Against the backdrop of global economic uncertainties, Li aimed to strengthen communication and foster mutual trust for global economic recovery. During Li's visit to Switzerland, meetings with President Amherd focused on deepening the strategic partnership established in 2016. President Amherd expressed Swiss companies' interest in expanding their presence in China. Notably, Switzerland has maintained military neutrality and diverged from the European Union's stance on China policy. Unlike Brussels, Switzerland has not imposed sanctions on Chinese officials over the situation in Xinjiang. The Swiss government's China strategy emphasizes coherence, advocating for China's inclusion in the global order while consistently addressing human rights concerns. In Switzerland, the Chinese Premier's visit coincided with ongoing debates in the Swiss parliament regarding reducing reliance on Beijing. Key topics included discussions on Huawei's role in 5G networks and the exploration of increased ties with Taiwan. These deliberations reflect Switzerland's efforts to carefully navigate its relationship with China while balancing its interests and concerns. SCMP1 SCMP2 Jan 11 & 15

# Foreign Policy / International Relations

## Beijing moves deadline for consulates to submit local staff data to 31 January

SCMP reported on 20 January that European consulates in Hong Kong have joined forces to ask Beijing to explain its reasons for requiring details of all locally employed staff, after the Commissioner's Office of China's Foreign Ministry in the city made the request last September. The article, citing anonymous sources, said Beijing moved the deadline for providing the information from 18 October to 31 January after the Europeans last October asked for clarification. The EU Office to Hong Kong and Macao said it had noted Beijing's request and would 'continue to look into the matter.' <a href="SCMP">SCMP</a> Jan 20

### China is needed for peace process after Davos meeting, Ukraine says

At a high-level diplomatic meeting before the World Economic Forum in Switzerland, Ukraine's chief of staff Andriy Yermak highlighted the necessity of involving China in talks to end the war with Russia. Chinese Premier Li Qiang's presence at the forum is seen as crucial. Ukrainian President Zelensky, due in Switzerland to meet Swiss President Viola Amherd, may potentially meet Li. Swiss Federal Councillor Ignazio Cassis emphasized the importance of engaging China, noting both Russia and Ukraine's reluctance to concede. The role of Global South nations, participating in Davos, is also underlined in Ukraine's peace formula talks. SCMP Jan 15

#### Media watchdog alerts to ongoing press freedom attacks in Hong Kong; government rebuts

On the second anniversary of Stand News' closure, the Media Freedom Coalition criticized intensified self-censorship in Hong Kong's media following the 2020 national security law. They expressed concern over the suppression of press freedom and increased prosecutions under colonial-era laws, impacting Hong Kong's autonomy and freedoms. The Coalition highlighted cases like Stand News editors and Jimmy Lai, citing a chilling effect on the press. Hong Kong's government rejected these claims, insisting on protected press freedoms but acknowledging they are not absolute. They argued the media landscape remains vibrant, with criticism allowed within legal bounds. <a href="https://example.com/hKFP">HKFP</a> Jan 3

### Mainland

# Beijing's Hong Kong representative confident in West Kowloon arts hub's growth potential

Beijing's top official overseeing Hong Kong affairs, Xia Baolong, expressed full confidence in the West Kowloon Cultural District's ability to boost creative industries. Henry Tang, the arts hub board chairman, disclosed Xia's assurance during a recent visit to Beijing. Xia views Hong Kong as having significant growth potential as an international metropolis, aligning with the city's economic development pillars. Despite financial challenges and pandemic disruptions, the district's museums show high-cost recovery rates, with plans for future financing being considered, including potential flat sales. SCMP Jan 11

# **Domestic Policy / Politics / Law**

Chief Executive defends new ordinance allowing enforcement of Chinese civil rulings in HK courts The Mainland Judgements in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance, which offers reciprocal recognition and enforcement of civil and commercial judgements in Hong Kong and mainland Chinese courts, is set to come into force next 29 January. Chief Executive John Lee clarified on 23 January that the judgments made by mainland Chinese courts would not automatically take effect in Hong Kong, adding that an application would need to be filed to the High Court first. The Department of Justice also later dismissed concerns over whether 'assets in Hong Kong could be confiscated by the Mainland directly', calling it <a href="https://example.com/hkfp-court-first-new-court-first-n

### Croatia signs tax agreement with HK

Hong Kong and Croatia signed on 24 January a comprehensive avoidance of double taxation agreement (CDTA), which outlines the allocation of taxing rights between the two jurisdictions, providing clarity for investors regarding their potential tax liabilities arising from cross-border economic activities. With the inclusion of Croatia, Hong Kong has now signed CDTAs with 17 member states of the European Union. <a href="ISD IRD">ISD IRD</a> Jan 24

# Rights watchdog notes sharp decline in freedoms since NSL

In its annual report released 11 January, Human Rights Watch said 'freedoms have sharply declined' in Hong Kong since Beijing imposed the National Security Law on the city in June 2020. At least 279 people have been arrested for allegedly violating that law and the colonial-era sedition law, while self-censorship has become more prevalent, citing Disney's decision to pull an episode of *The Simpsons* that mentioned forced labour camps in China from its Hong Kong streaming platform. The report also noted that the authorities have extended their targets beyond the city's borders by issuing bounties on a number of exiled activists and interrogated their Hong Kong-based family members. Yahoo News HRW-Report Jan 12

HK judiciary conducts first live stream of court hearing as a test run to boost trust in legal system HK conducted its first live-streamed court hearing, aiming to enhance public trust and transparency. The broadcast, featuring a lesbian woman's challenge against the Legal Aid Department's decision and the city's same-sex marriage ban, was mostly clear but had occasional issues. Viewers agreed not to modify or redistribute the content. The screen showed lawyers and judges in separate frames, with written submissions available online. The live broadcast policy, part of a plan to boost legal system confidence, will include more cases with varied layouts. <a href="SCMP">SCMP</a> Jan 10

# **Economy**

# Six measures to enhance HK-China market interconnectivity

The PBoC and the HK Monetary Authority HKMA announced on 24 January six policy measures to enhance interconnectivity between the mainland and Hong Kong financial markets. That would include the introduction of facilitative measures for Hongkongers to remit money to buy properties in the Greater Bay Area. HKMA chief executive Eddie Yue also forecasted that the trial of cross-border credit checking in Shenzhen and HK would be widened to facilitate the funding of enterprises in both cities. Speaking to the press at the Asian Financial Forum, Financial Secretary Paul Chan said that the measures would serve to strengthen the city's capability in connecting the mainland and international markets. Bloomberg HKMA Jan 24

#### India overtakes HK as world's fourth largest stock market

Speaking ahead of the Executive Council meeting, CE John Lee on 23 January said that the government and HKMA are closely monitoring the fluctuations in the stock market but have not seen anything unusual going on, a day after Hong Kong's Hang Seng Index plummeted below 15'000 points. Standard Jan 23

## Paul Chan rules out capital gains tax, departure tax & sales tax

A recent report released by JP Morgan said that the introduction of a capital gains tax would potentially lead to panic selling and exert short-term pressure on property prices. That said, the investment bank believed that the likelihood of implementation is very low. Responding to the suggestion earlier this month that a capital gains tax was being deliberated, Financial Secretary Paul Chan said that it would only be launched after careful consideration. Meanwhile, Paul Chan ruled out the introduction of a controversial capital gains tax for the foreseeable future, saying any adjustment would affect the existing system's competitiveness and the city's economic conditions. He also dismissed the idea of a departure tax for residents travelling out of the city and a sales tax. SCMP Standard Jan 11, 17

### HKEX CEO admits market 'closer' to a capitulation point

Nicolas Aguzin, the Chief Executive of the Hong Kong Exchanges and Clearing, said that the market's lack of conviction in Hong Kong stocks, rising interest rates, geopolitical conflicts around the world, and worries about China's economic growth have left Hong Kong stocks 'without a doubt ... closer' to a capitulation sell-off. The city's benchmark Hang Seng Index closed at a 14-month low on 17 January. Bloomberg AAStocks SCMP Jan 18

HK's tourism continues rebound in 2023 with 34m visitors, mainland travellers being largest source In 2023, Hong Kong's tourism sector saw a significant rebound, welcoming 34 million visitors, with the Chinese mainland contributing 79% of the total. This marks a substantial increase from 2022, which had only around 604'564 visitors. The region experienced a surge in tourism during key holiday periods, with December alone attracting nearly 4 million tourists. Global Times Jan 14

Jimmy Lai Trial Unveils Alleged Collusion, Foreign Connections, and Media Influence in Hong Kong A month into the high-profile trial of Jimmy Lai, the founder of Next Digital and Apple Daily, has provided significant insights into his financial contributions to pro-democracy parties and media outlets, suggesting potential collusion with foreign forces. Lai, who potentially faces life imprisonment, is charged with publishing seditious materials and colluding with foreign forces. Prosecutors have presented evidence that Lai made HKD20 million in donations to various pro-democracy parties and a law firm representing activists. They have also highlighted payments made to international media outlets for what they term "international propaganda," as well as suspicious transactions through his aide's accounts.

The trial of Jimmy Lai, a media businessman, has been a critical test for press freedom in HK. The trial involved Japanese newspaper Nikkei China revealing communications with activists Agnes Chow and Andy Li, who were linked to Lai's campaign. Lai, Chow, and Li were arrested in 2020, with Li and another activist later pleading guilty to collusion charges. The prosecution detailed communications between Lai, former US officials, and senior Apple Daily executives, all of whom reportedly admitted to collusion. The trial has also revealed Lai's close connections with US political figures, including former defence personnel. Legal experts have questioned the necessity of Lai's frequent interactions with US defence and political figures, suspecting subversive activities against China and HK.

Prosecutors have alleged that Lai used his newspaper, Apple Daily, to sway public opinion and promote hatred against Beijing and HK authorities. The trial, which began on 18 December 2023, has attracted intense domestic and international scrutiny. The prosecution has presented evidence of financial transfers to political entities, Lai's alleged orchestration of anti-China campaigns, and seditious remarks. The defence has contested the validity of the sedition charge. As the trial continues, it remains a significant and closely watched case that raises important questions about press freedom and the boundaries of political activism in HK. The trial is widely seen as a landmark national security case after Beijing imposed laws on the financial hub in 2020 following months of protests in 2019. Lai has long been an outspoken critic of China's Communist Party and is the highest-profile figure to face prosecution under the law. Diplomats are watching developments closely. Hong Kong's former colonial ruler Britain and the United States have called for Lai's immediate release, saying the case is politically motivated. Hong Kong officials say Lai will receive a fair trial. RTHK SCMP1 SCMP2 HKFP HKFP SCMP3 HKFP Global Times Reuters Jan 3, 8, 11, 17

### Society / Culture / Education

#### Economist is optimistic about HK and urges to also focus on education and health care

Speaking at the Future of HK Economy conference organised by the University of HK's business school on 18 January, Nobel Prize-winning economist Joseph Stiglitz recommended HK should diversify its investment portfolio and de-risk amid growing deglobalisation and geopolitical risks. He expected the city's role as a gateway to be challenged as international trade has been weakening in a more fragmented world. The US economist also suggested the city to reduce its over-reliance on the finance industry and find new growth drivers to develop further unique edge such as in education or health care. SCMP Jan 18

### HK rebounds in expat liveability rankings but Singapore keeps the crown as No 1 spot

With pandemic restrictions lifted, both HK and mainland Chinese locations have seen improvements over past 12 months, according to human resources consulting firm ECA International. HK has rebounded in liveability rankings for expatriates from Asia following two consecutive years of declines but is still way behind where it was a decade ago, with a worsening socio-political environment blamed for the slide, according to an annual survey. The city last year recovered to 77th spot out of 500 locations polled from 92nd in 2022, but was still behind its 17th place in the rankings in 2013 ECA International revealed. SCMP Jan 17

# 2'000 CCTV cameras to be installed in HK this year

Deputy Chief Secretary Warner Cheuk announced that 2'000 surveillance cameras would be installed across Hong Kong by the end of this year 'to help prevent crime'. This policy has drawn concerns from human rights watchers that these cameras could be used to monitor opposition political figures who are still in Hong Kong. RTHK Jan 17

#### Survey: 2.8% of Hong Kong students planned suicide; 1.6% attempted it

A Hong Kong Department of Health survey of 330'000 students revealed alarming mental and physical health trends. In the 2022-23 school year, 1.6% of secondary students attempted suicide, and 3.7% considered it, marking a significant increase from previous years. Referrals for psychosocial and behavioural issues rose to 1.8%. SCMP HKFP Jan 3

#### Macau

#### Macao defends human rights records at UN

At a United Nations Human Rights Council meeting in Geneva, Secretary for Administration and Justice Cheong Weng Chon on 23 January spoke of human rights training given to government officials, judicial officers, teachers and others, besides collaborating with NGOs to educate people on human rights. He also highlighted the first minimum wage law was passed in 2020, amid growing concerns over the exemption of domestic helpers and the disabled from relevant legislation. Macao News Jan 25

# **Special Focus: National Security Law - Article 23**

#### Public consultation will last one month - Art. 23 to expand definition of state secrets

On January 30, Chief Executive John Lee, accompanied by Secretary for Justice Paul Lam and Secretary for Security Chris Tang, held a highly anticipated press conference to unveil plans for a new security law in Hong Kong. The proposed national security legislation aims to address Article 23 of the Basic Law and will undergo a public consultation period lasting one month, from January 30 to February 28. The law is expected to cover offenses such as treason, insurrection, espionage, destructive activities endangering national security, and external interference. During the press conference, Lee emphasized that defendants charged under the new legislation would not be extradited to mainland China for trial, as the law would specifically deal with activities within Hong Kong. This clarification aimed to assuage concerns regarding potential infringements on HK's judicial independence. Secretary Lam highlighted the importance of ensuring consistency and complementarity between the new legislation and the Beijing-imposed National Security Law, which has been in effect since 2020. The proposed security law seeks to align HK more closely with mainland China's laws on state secrets. However, this has raised concerns among investors, as it could impose additional costs on businesses when conducting transactions with overseas partners. The legislation's introduction comes as HK is required to enact its own national security legislation, as mandated since its return to Chinese rule in 1997. Previous attempts to pass such legislation have faced strong public opposition. The 2020 imposition of the controversial security law by Beijing has significantly narrowed the space for resistance in HK. While CE John Lee has not provided a specific timeline for passing the new security law, the public consultation period marks a significant step in the legislative process. Business sector supports the government's Art. 23 proposal. HKGov AFP Bloomberg SCMP RTHK Jan 30

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