

Introduction

A calm political climate has prevailed in HK since last month elections. All parties have been striving at better understanding with Beijing.

Domestic politics

Central government new approach to HK: In one of his more direct references to HK President Hu called for SAR unity and asked local leaders to be accommodating in resolving differences. Observers see this statement as the strongest sign of determination of the president to end political wrangling in HK. This shift following the September elections has been echoed in a recent report of the Communist Party Central Committee citing « new circumstances » when speaking of HK. There is a clear trend towards inclusiveness exemplified by including invitations to democrats for National Day celebrations. Some have also noted the somehow cooler reception given by authorities to HK tycoons during a recent visit to the capital indicating that the new team in Beijing intends to build links with a broader segment of the HK community.

Beijing fails law test in HK: a leading HK legal expert published an article in the latest issue of the HK Law Journal stating that the Standing Committee's ruling to ban universal suffrage was legally unfounded and illegitimate. The Standing Committee is not a court: its ruling was a naked exercise of sovereign power contrary to Basic Law principles

Long Hair hijacks Tung's National day speech. On the inside for the first time, the pro-democracy and highly vocal new legislator made most of the National Day celebration by staging a public protest during the ceremony justifying his action by saying: « I wanted to remind Mr Gao and Mr Tung about the ideals of the Chinese revolution ». It has been indicated that Beijing's door is open to all democrats but one Long Hair.

Patriotism highly valued: The HK government's production of a video promoting patriotism featuring scenes of Col. Yang and the mainland's medal winning Olympic athletes has been criticised as somehow overshadowing the new more enlightened and sophisticated approach of the HK question by Beijing.

HK tycoons Li-Ka-shing and Henry Fok have donated large amounts of money to Olympic games. Beijing Communist Party Secretary commenting on Mr Li's donation said: " What we received is not just money but more importantly the patriotism of Mr Li..."

Time Magazine honors July 1 leader: Organiser of July 1 march named Asian hero Time Magazine named 35 years old Jackie Hung, one of the organisers of the July 1 protest march, an Asian hero. She was described as the face of a new politically vibrant HK.

Democratic camp proposes referendum on universal suffrage: While the Administrative Secretary Donald Tsang has promised a political reform plan by summer 2005 setting consensus as target, the pro-democracy action group Power for Democracy proposed to hold a referendum to decide whether universal suffrage should be introduced by 2007 for the election of the chief executive and by 2008 for LEGCO. Pro Beijing groups labelled this proposal as a waste of time and a needless distraction for the community and see it as a challenge to the authority of the central government. Many commentators have warned the democrats: a SCMP editorial advised them to give up on the referendum idea which might even harm the pro-democracy cause adding that everyone already knows what HK people want. In the same direction Anson Chan stressed the importance to be realistic and practical and cautioned against suggestions for a referendum on universal suffrage.

HK public happier with Beijing: According to a recent poll insatisfaction with the central government policies has fallen to a two year low.

International affairs

Beijing and HK visit by Foreign Office Minister Bill Rammell: one of the discussed topics was the dispute between UK and China over constitutional review. Beijing's decision on universal suffrage has been described by UK as unexpected intervention seeming to erode HK's high degree of autonomy.

Human trafficking between Vietnam and HK : Young Vietnamese men continue to come to HK to get jailed so that they can earn money. The number of cases has plunged from 952 in 1999 to 165 in 2003.

Row over exhibition venue takes new dimension as Paris joins in : French Minister de Robien came to HK to discuss the future of the largest HK/French partnership, a new exhibition centre near the airport, which is threatened by plans to expand the existing convention centre in HK's downtown.

Mr Jacques Chirac, President of the French Republic, visited HK on October 12 on an official one-day visit. He attended the Opening Ceremony of the Presentation of the Picasso's stage curtain "Parade", which marked the local opening of the Year of France in China.

HK-Belgium agreement on avoidance of double taxation on income entered into force on October 27.
European Tour : The Chief Secretary for Administration, Mr Donald Tsang, began a nine-day visit to four European capitals on October 25 to promote business and investment opportunities in Hong Kong. During his trip to London, Berlin, Prague and Dublin, Mr Tsang updated government and business leaders on recent developments in Hong Kong.

Transborder Affairs

Draught in Guangdong Province: The draught currently affecting Guangdong will also affect HK especially HK firms producing in the Pearl River Delta. Several towns and cities of the province are already facing water shortage.

CEPA II: On October 27 the Central People's Government and the Hong Kong Special Administrative Region Government (HKSARG) signed the legal text on further trade liberalisation under the second phase of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA II).

Economy

Appointment: Mr Kwok Kwok-chuen was appointed as Government Economist with effect from October 11, 2004. He took over from Mr Tang Kwong-yiu who proceeded on pre-retirement leave.

Trade: In September 2004, the value of total exports of goods (comprising re-exports and domestic exports) increased by 14.1% over a year earlier to \$179.7 billion, after a year-on-year increase of 20.9% in August. Within this total, the value of re-exports increased by 14.8% to \$168.1 billion in September 2004, while the value of domestic exports increased by 4.2% to \$11.6 billion. Concurrently, the value of imports of goods increased by 14.8% over a year earlier to \$186.2 billion in September 2004, after a year-on-year increase of 21.6% in August.

Retail Sales for August 2004: The value of total retail sales in August 2004, provisionally estimated at \$15.6 billion, increased by 5.9% over a year earlier. After netting out the effect of price changes over the same period, the overall volume of retail sales increased by 4.2% in August 2004 over a year earlier. Taking the first eight months of 2004 together, retail sales increased by 12.1% in value or 10.0% in volume as compared to the same period a year earlier.

Consumer Price Indices(CPI): overall consumer prices rose by 0.7% in September 2004 from a year earlier. The corresponding increase in August was 0.8%.

Unemployment : the seasonally adjusted unemployment rate stood at 6.8% (provisional) in July - September 2004, same as that in June - August 2004.

Hong Kong's Foreign Currency Reserve Assets: the official foreign currency reserve assets of Hong Kong amounted to US\$118.4 billion at the end of September 2004 (end-August 2004: US\$118.5 billion). In terms of foreign currency reserves ranking, Hong Kong is now the world's sixth largest holder of foreign currency reserves, after Japan, Mainland China, Taiwan, Korea and India.

Estate Duty: The Government has received around 80 submissions in response to a three-month consultation on the Estate Duty Review which ended on October 20. The consultation forms part of the review on estate duty proposed by the Financial Secretary in his 2004-05 Budget Speech to examine whether the current duty regime should be adjusted to attract more foreign capital.

New Hong Kong Banknotes: The remaining three denominations, \$20, \$50 and \$1,000, of the new series of Hong Kong banknotes were put into circulation from October 11 2004 on. The first two denominations of the new series, \$100 and \$500, have been in circulation since December 2003. All existing banknotes will continue to be legal tender and will circulate alongside the new banknotes.

Health

Secretary for Health, Welfare and Food appointed: The Central People's Government has, on the nomination of the Chief Executive, Mr Tung Chee Hwa, approved the appointment of Dr York Chow as the Secretary for Health, Welfare and Food.

Creating a smoke-free city: Hong Kong plans to introduce legislative proposals to extend the statutory smoking ban to more premises to protect the public from the health hazards of passive smoking. New regulations would ban smoking in all indoor workplaces, food premises and bars. In Hong Kong, 16 deaths were due to tobacco related illnesses daily. Smoking prevalence in Hong Kong had stayed at a relatively low level of around 15 per cent but smoking still killed about 6,000 people a year.

Varia

First results of public consultation on sustainable development : HK people favour the revitalisation rather the demolition of old neighbourhoods. They want their city to become a model of sustainable development.

Commemoration : The annual ceremony to commemorate those who died in defence of Hong Kong in the war years between 1941 and 1945 was held at the City Hall Memorial Garden on October 22. The acting Chief Executive, Mr Henry Tang, attended the ceremony and laid a wreath.

Press articles related to Switzerland

South China Morning Post, 20.10.04: HK offers springboard for Swiss filmmaker's success. After having visited the city in 1979 as part of a competition for young film makers, Dominique de Rivaz is back as guest of the MAX! film festival which is showcasing her first feature film "Jagged Harmonies". This movie has been put forward as Switzerland's entry for the Best Foreign Film award at the next Oscars. During her visit, de Rivaz has held question-and-answer sessions with the audience after screenings of her film and held a seminar for Baptist University film students.

Government's Press release, 07.10.04: The first Swiss law firm in Hong Kong, S.G. FAFALLEN & Co., celebrated its grand opening on October 7. The firm provides Swiss and international legal, tax and trust services to private individuals and corporations. Its services are mainly targeted for high net-worth individuals and small and medium companies.

Press and "Switzerland Greets Hong Kong" : on October 15 articles were found in various Chinese language newspapers including Oriental Daily News, Ta Kung Pao, HK Daily News, Wen Wei Po, Sing Pao Daily News, Apple Daily, HK Economic Times and Sing Tao Daily covering "Switzerland Greets HK". All these articles – following the event's press launch at the Swiss Consul General's residence on October 14, 2004 - conveyed positive messages about above mentioned programme.

Government's Press release, 27.10.04: about the launch of Microwave International Media Art Festival (an event that explores the integration of media art and technology) on Oct. 30. This PR mentioned an "International Video Screening" with experienced curators including Hanspeter Ammann (Switzerland) with his programme "Fascinated and Touched".

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