

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

The rooster's crow will soon usher in a Chinese New Year. We wish our readers a prosperous and happy new year ahead !

Introduction

As usual, January was marked by the Chief Executive's policy address. This eighth edition took the form of a mea culpa which "Long Hair" Leung Kwok-hung, the maverick legislator, considered as the confession of one's guilt to Beijing. Another important topic was the announcement of the decision to establish a Commission on Poverty which will be chaired by the Financial Secretary. It will study and identify the needs of the poor and make policy recommendations to alleviate poverty. He observed that the HK's economy was at its best since the Asian financial crisis (it achieved a growth of 7.5%).

Domestic politics

Independence of courts highlighted: Judges will defend integrity of courts and play their role as gatekeepers said publicly the Justice Secretary seeking to dispel fear that the courts are abused for political ends.

Taipei mayor denied HK visa: After having been denied entry to HK, where he had been invited to attend a seminar, the mayor expressed deep regrets calling the decision a step backwards in relations between Taiwan and HK and adding that HK was regarded as the showcase of "One country, two systems" and was supposed to be different from the Mainland. Some sources cite pressure from the central government following his criticism of the anti-secession law being enacted by Beijing. An editorial of the SCMP called the refusal beyond reason because Taipei's mayor is precisely the kind of visitor HK should welcome being a supporter of reunification with the Mainland and a friend of HK. The decision has needlessly undermined the formula "One country, two systems" and HK's reputation as a city that is open to the outside world. It amounts to a pre-emptive strike against free speech. The refusal was also rebuked by US officials.

Mea Culpa of Chief Executive in annual policy address: In an unexpected way he confessed to failures and acknowledged inadequacies in the past years saying that his administration had often been inexperienced, politically insensitive and indecisive and adding that these shortcomings had undermined the credibility of his policy-making capability and his ability to govern. In the rest of his address called "Working Together for Economic Development and Social Harmony" he gave a list of measures aiming at bettering governance, fighting injustice and poverty and promoting economic freedom, environment protection, culture and education. Critics stressed that empty words won't resolve the core problems of Mr Tung's governance and Legco united to attack his address with even the normally pro-government DAB representative stating that the government had hastily introduced many reforms and upset social harmony.

Zhao Ziyang mourned in HK: Zhao, who signed the Sino-British Joint Declaration in 1984, will be remembered as a leader who was prepared to listen to the HK people and was sensitive to calls for democracy. Immediately after his death HK was the one place in China where a public memorial service could be held and later there was also a candlelight tribute drawing 15'000 people including Mainland visitors. The President of Legco refused a request to observe a minute of silence in his memory saying his contribution to HK was not significant. A Beijing official added that mourning the death of Zhao in Legco would contravene the Basic Law, a comment seen by many as an ideological interpretation of HK's mini-constitution. Despite the refusal of the President, pro democracy legislators staged a minute of silence prompting their other colleagues to boycott the meeting and leave Legco.

Opposition sets out HK demands: The new head of HK's opposition Democratic Party laid out for the first time his demands for political change. He stated that he was willing to back down demands for an immediate move to direct elections if China would commit to a firm timetable for such elections in the future.

Wanchai reclamation: Wanchai reclamation plan is back on the road and three options are being presented for public consultation.

Low turn out for political rally: Postponed because of the tsunami, the opposition January 1 rally took place a few weeks later with a low turn out of around 2000 people. The protest march focused on poverty, universal suffrage and collusion between government and big business.

New era of consensus for pragmatism and less confrontation: In a public interview the head of the government's public policy think tank said that after seven years of trial and error consensus is emerging in HK and governance is moving from elite based to one with broader public support.

Tsunamis: On January 25 a government spokesman said that the Immigration Department's hotline had received 877 enquiries and 1,426 requests for assistance. Meanwhile, there were still 29 unlocated HK residents, of whom 28 were reported to be in Thailand and one in Indonesia. As of January 25th, 12 Hong Kong residents were reported to have died.

International affairs

HK's international role in humanitarian affairs: A post tsunami forum held in HK has encouraged the SAR to become an international player. If HK's contribution to tsunami victims (\$700millions) leading the world is rightly praised, there is a necessity for HK to be more active internationally in areas such as environment protection and disaster relief work. Though the territory cannot establish foreign relations, it could very well develop external relations in those areas.

Visit by foreign dignitaries: Canadian and Irish PM's paid visit to HK.

HK and Ireland signed a Memorandum of Understanding which marks the establishment of a new bilateral Working Holiday Scheme. It enables young people from both places to stay up to 12 months in each other's territory for holidays and short-term employment. Participants may take up temporary jobs for not more than three months with any employer during their stay. The scheme will come into effect on March 1 this year.

Transborder Affairs

Chinese PM urges cooperation: Visiting Shenzhen Premier Wen said that the city should work closely with HK on economic, science and technology and cultural areas.

Mega-city planned for 2020: HK is part of the Pearl delta mega-city blueprint sketched by Guangdong planners who envisage an urban cluster of 65 million in the region by 2020.

Red ants invasion from China: Biting red ants have been found in potted plants imported from China. HK officials have confirmed that they were only informed the same day the outbreak was publicly announced in China. Reports stating that the central government had alerted provinces two months ago have resulted in complaints about lack of communication between HK and its neighbour.

Legal Affairs and human rights

Significant events: The Movement Against Discrimination marked the end of 2004 by selecting the top events related to discrimination during the year. Among others: Government says it will legislate to protect the rights of those with different sexual orientation (December); Gay man launches challenge in High Court against the criminalisation of consensual sex between men under 21 (December); Survey of 400 people from ethnic minorities finds 30% are unemployed (June); Polytechnic University is criticised for requiring Cantonese for admission to some courses (June); the plight of Aids patients who had contracted HIV through contaminated blood products before 1985 is finally revealed (December); Government consults the public on anti-racism legislation (September) etc...

Economy

Policy address & economy/highlights: The Chief Executive outlined ways to consolidate the economic recovery, alleviate poverty and promote social harmony and stability. He said "Following economic revival, our principal mission is to further consolidate our achievements and accelerate economic restructuring. In the next two and a half years, promoting development will continue to be the Government's focus." Measures to Promote Development will include, among others, the strengthening of the 4 core industries (financial services, producer services, logistics and tourism), fostering the benefits of CEPA and starting CEPA III, enhancing co-operation between HK and Guangdong and within the Pan-Pearl River Delta, as well as attracting more Mainland enterprises to HK. The Government further intends to promote cultural and creative industries and to attract talented people from the Mainland and overseas. Increasing Employment: the Government will continue public capital works to provide about 45 000 jobs annually and study the issues of "maximum working hours" and "minimum wage". Business Environment: unnecessary regulations in the construction/real estate and retail sectors will be removed. No Goods and Services Tax will be introduced in the next two and a half years. Helping the Poor and Needy: a commission to alleviate poverty is to be established as well as a HK\$200 million Partnership Fund for the Disadvantaged to promote a tripartite partnership between Government, business and the welfare sector. Environmental Protection: the co-operation with Guangdong will be strengthened.

HK was ranked as the freest economy in the world for the 11th consecutive year by the Heritage Foundation (HF) which released its "2005 Index of Economic Freedom" on January 4th. According to HF, HK's virtues lie with its duty-free port with no barriers to trade, low level of government intervention in the economy, very low level of inflation, very low barriers to capital flows and foreign investment, very low level

of restrictions in banking and finance, low level of intervention in wages and prices, strong property rights, very low level of regulation, and a low level of informal market activity

2004 was a record year for investment promotion in HK. The Director-General of Investment Promotion at Invest Hong Kong, Mr M. Rowse, announced that the Department assisted 205 foreign companies to set up or expand operations in HK during 2004 -- representing a substantial increase of 44 per cent over 2003, itself a record year. These projects led to the immediate creation of more than 3,000 jobs and the same companies plan to create an additional 4,600 jobs here in the next two years. Over HK\$4.66 billion was invested. Invest HK's target for 2005 is 220 completed projects, a 10% increase over the 2004 target, and 7% more than the actual result."

The official foreign currency reserve assets of HK amounted to US\$123.6 billion at the end of December 2004 (end-November 2004: US\$121.5 billion). In terms of foreign currency reserves ranking, HK is the world's sixth largest holder of foreign currency reserves, after Japan, Mainland China, Taiwan, Korea and India. The total foreign currency reserve assets of US\$123.6 billion represent over six times the currency in circulation or about 44% of Hong Kong dollar M3.

Unemployment: the seasonally adjusted unemployment rate decreased from 6.7% in September - November 2004 to 6.5% (provisional figure) in October - December 2004. Comparing October - December 2004 with September - November 2004, decreases in the unemployment rate (not seasonally adjusted) were mainly observed in the wholesale trade, restaurants, business services and hotels sectors. The number of unemployed persons (not seasonally adjusted) decreased by around 9 200, from 236 200 in September - November 2004 to 227 000 (provisional figure) in October - December 2004, the lowest level since November 2001 - January 2002.

External Merchandise Trade: for 2004 as a whole, the value of total exports of goods rose by 15.9% over 2003. Within this total, the value of re-exports increased by 16.8%, and the value of domestic exports went up by 3.5%. Concurrently, the value of imports of goods increased by 16.9%. A visible trade deficit of \$92.0 billion, equivalent to 4.4% of the value of imports of goods, was recorded in 2004.

Health

Bird flu spread now serious: HK government has stepped up its surveillance and public announcement regarding the risk of bird flu are now being broadcasted on planes flying to and from Vietnam. The HK Center for Health Prevention monitors the situation.

Environment

2004, worst year yet for blanket of smog: HK's airport endured poor visibility on one day in four during last year.

Battery recycling: The Environmental Protection Department will launch the rechargeable battery recycling programme in March or April. It will collect spent rechargeable batteries, which will be shipped to overseas recycling factories. Under the scheme, containers will be distributed to schools, shopping centres, housing estates and other public facilities to collect spent batteries. Friends of the Earth has called on the government to extend the scope of the year-long pilot campaign that covers only about 20 per cent of discarded batteries. It said the government should also include non-rechargeable batteries because they accounted for 80 per cent of the 120 million batteries discarded each year and that some sub-standard batteries were available in HK that contained harmful materials such as mercury and manganese.

Year-end Clean-up Operation: To provide a cleaner environment for the Year of the Rooster, the Food and Environmental Hygiene Department (FEHD) has commenced a three-week territory-wide clean-up campaign on January 17th. The Year-end Clean-up Operation 2005 should feature a wide range of intensified clean-up actions, mosquito and rodent control measures in all districts to tie in with the tradition of cleaning up during the lunar year-end.

Varia

Impressionism masterpieces in HK: For the first time in HK the public will have the opportunity to see 47 original masterpieces of Impressionism by 13 French masters shown together in an exhibition. The extraordinary exhibition - "Impressionism: Treasures from the National Collection of France" will be held at the Hong Kong Museum of Art from February 5 to April 10.

HKSAR biometric passports should be introduced in early 2007, having regard to the international trend for enhanced passport security. Each HKSAR biometric passport will be embedded with a contactless integrated circuit chip containing the facial image and personal information of the holder as it appears on the biodata page of the passport.

HK's overall crime situation improved in 2004: The overall law and order situation saw obvious improvement in 2004, with a drop in most of the crimes, in particular homicide, robbery, burglary and snatching as well as rape. The year to come will see Police facing many new challenges including major events of different nature, such as the Rugby Sevens in March, the Lions Club International Conference in

June, the opening of the Disneyland in September and the World Trade Organisation Ministerial Conference in December.

Decline of English :Young people - and the government - should do their bit to arrest the falling standard of English across the city, said former chief secretary Anson Chan Fang On-sang. "We need to do all we can to retain and sharpen this competitive advantage, or run the risk of being overtaken by mainland cities." The government needed to put more resources into training English teachers and upgrading teaching materials.

Press articles related to Switzerland

Standard (21.1.05) :HK 's Dickson Concepts is buying Bertolucci, a Swiss maker of men's and women's watches

351.0-BFR/LIJ/chw/sra/thk

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