

Economy

HK will outshine all, says Tsang: Donald Tsang will urge Premier Wen Jiabao to strengthen HK's role as Asia's leading financial centre within the next five years. He also promised to develop the city into a financial hub on a par with London and New York, saying that no one would be talking about Singapore or Shanghai by the end of his term.

Fillip for HK international finance role: The central government aims to take further steps to reinforce HK's role as an international financial centre, signalling its intention to highlight the city's importance to China's economy ahead of the 10th anniversary of the handover. Analysts saw Beijing's efforts to promote HK's role as a setback for Shanghai, whose leadership has been hit by a series of corruption scandals culminating in the sacking of its former party secretary, Chen Liangyu.

Mainland casts big shadow over HK corruption image: International businesses consider HK the second least-corrupt place to do business in Asia, a new survey has found. But the mainland's ranking as the seventh most-corrupt place in the region boded badly for HK's future, as the amount of cross-border business increased, the HK-based Political and Economic Risk Consultancy survey said. Singapore was considered the least corrupt of 13 economies included in the poll.

Jobless rate drops to 9-year low: HK's unemployment rate fell to its lowest level in nearly nine years, spurred by strong growth in consumer demand and the robust economy. Government figures show the seasonally adjusted jobless rate for February dropped to 4.3% - down from 4.4% in January.

Beijing property curbs may boost HK, Macau: Beijing's determination to restrict foreign property investment could boost HK and Macau real estate as overseas funds are diverted to the SARs, according to property consultant CB Richard Ellis. "The restriction may help drive interest of funds to HK and Macau," said managing director Rick Santos, who remained upbeat on the long-term outlook for the mainland property market.

Domestic politics: Election of Chief Executive

Sparks fly in face-off: Sparks flew when Chief Executive Donald Tsang and his challenger Civic Party legislator Alan Leong met in the first election forum since the handover. The heated debate took place in front of a live audience of 530 Election Committee members and millions of viewers and listeners on television and radio. Their faces said it all. Donald Tsang, the tired-looking incumbent, was visibly uneasy, constrained and unsure. Alan Leong, the challenger full of vigour and passion, was on top of his game, seizing every opportunity to attack the weak points of Mr Tsang and his administration.

Democrats targeted for posts in Tsang's cabinet: At least one leading member of the pan-democratic camp has been approached to serve on Donald Tsang's cabinet after his expected return for a second term, according to sources familiar with the situation. If realised, the appointments will signal a breakthrough in the administration's relations with the so-called "opposition camp". Bringing the pan-democrats on board Exco - an organ for assisting the chief executive in policy-making - could help smooth relations between the executive and legislative arms of the government, at least with the mainstream democrats.

Alan Leong sets sights on 2012 comeback: He might have lost the chief executive election as expected, but Alan Leong he won more plaudits than incumbent Donald Tsang for speaking on behalf of those who have no vote. For the Civic Party legislator, his greatest success was bringing a "fundamental change" of political culture and values by making possible a contested race. He said this was a milestone for HK. Mr Leong said he was planning a comeback in the next election in 2012, when he hoped his fight would bring universal suffrage.

Domestic politics: Universal Suffrage / Democracy

Democrats agree on suffrage road map: Pan-democrat legislators have reached a broad consensus on electoral reform, releasing their blueprint for achieving universal suffrage in 2012. But Beijing loyalists dismissed the proposal to elect the chief executive and all members of the Legislative Council by universal suffrage in 2012 as too liberal, saying it would not be acceptable to the central government.

Chan sets out plan of action: The core group set up by former chief secretary for administration Anson Chan has released a plan for a chief executive election by universal suffrage in 2012 and fully elected Legislative Council by 2016 at the latest. The proposal appeared to be more conservative than the 2012 dual universal suffrage target proposed by 21 pan-democrat legislators, but Chan said it balanced idealism with realism.

Anson Chan fails to woo business sector: Anson Chan Fang's constitutional reform package has failed to win the blessings of the business community whose leaders fear it would adversely affect the business environment in HK. The abolition of functional constituencies without a system to replace them would unacceptably alter the political structure as prescribed by the Basic Law, said Sir David Akers-Jones, president of the Business and Professionals Federation.

We got in first on HK democracy, says Beijing: A mainland official in charge of HK affairs hit out at pan-democrats, saying Beijing had made the first suggestion that universal suffrage be introduced in the city. The comments from Chen Zuoyi, deputy director of the central government's HK and Macau Affairs Office, came a day after Anson Chan put forward a constitutional reform proposal by her core group. "Since the handover, the people of HK have enjoyed unprecedented democratic rights, its democratic political system has always been advancing forward," Mr Chen said in Beijing.

March setback for democrats: The pan-democrat camp suffered a setback amid a low turnout of only about 5,000 at a rally to condemn the March 25 chief executive election and demand universal suffrage. The response to Sunday's rally, organized by the Civil Human Rights Front, was a far cry from the more than 100,000 people who took part in a suffrage rally December 4, 2005.

'Herculean' reform task awaits Tsang: Incumbent Chief Executive Donald Tsang vowed to come up with a solution once and for all to the universal suffrage controversy during his next five-year term. He said he will produce a political reform proposal that will be supported by more than 60% of the HK people, win Beijing's blessing and be internationally recognized. Tsang said his green paper to be unveiled this summer will generate a universal suffrage proposal that will meet international conventions with regard to design, roadmap and timetable.

Domestic politics (other matters)

Warning to stop messing with politics: A National People's Congress leader issued a stern warning to the people of HK to stop "messing around" with politics and focus on economic development. If they did not, the city risked being marginalized, said Cheng Siwei, a vice-chairman of the NPC Standing Committee. The city's people lacked a sense of crisis, he said, and must make efforts to reinforce its position as an international financial hub.

Relations HK - Mainland China

Ten years and no interference: Premier Wen Jiabao said the central government had never interfered with HK's internal affairs in the 10 years since it was reunified with China. Wen also said HK's status as an international financial, maritime and trading center could never be replaced. He is the third top central government leader in the span of the two-week-long National People's Congress and Chinese People's Political Consultative Conference plenary sessions to comment on the relationship between Beijing and the SAR. Hosting the last press conference of his current term, Wen said Beijing has had a hands-off policy with regard to HK's affairs since the former British colony came under Chinese sovereignty.

International affairs

Beijing's bishop moves an act of war - Cardinal Zen: HK's controversial prelate Cardinal Joseph Zen has warned of "crucial moments" in relations between the Vatican and Beijing, and condemned recent unilateral religious moves by the mainland as "acts of war." Speaking of efforts by the Vatican to normalize relations with Beijing after a five-decade split, the cardinal - a longtime supporter of human rights and religious freedom - voiced caution, saying negotiations have reached a critical phase. While hoping for the best, he said he could not ignore the dangers involved, adding that the religious climate in the mainland remained dangerous and confusing.

Legal affairs and human rights

Work to start on draft for HK competition law: The government will start work on drafting a cross-sector competition law, which is expected to include the setting up of a regulatory authority and a mechanism for exemptions. The three-month public consultation on HK's competition policy, which ended early last month, found significant public support for the introduction of a cross-sector competition law rather than one that targets specific industries, the government said. The business community generally welcomed the government's plan to introduce a cross-sector competition law, despite lingering concerns about its impact on small companies which are less competitive.

Health

HK keeping watch on vaccines to combat flu: HK is monitoring the global rush to develop a pandemic flu vaccine to decide which would be best for its population, the Centre for Health Protection's controller said. Thomas Tsang said a scientific committee had been examining the evidence and would come up with a vaccine strategy for government consideration. "There are promising laboratory methods in making a pandemic flu vaccine. However, they are either at the early experimental stage, like using animal models, or just beginning to have clinical trials".

Environment

More steps urged to tackle air pollution: Greater transparency is needed about air pollution in the Pearl River Delta and greater co-operation between HK and Guangdong to tackle the problem, say HK delegates to the mainland's top advisory body. Seventy of the 100-plus delegates are backing a proposal for the more regular release of pollution data and for the State Environmental Protection Administration to provide progress reports on improving air quality and information on environmental monitoring.

HK blamed for most air pollution: Emissions in HK cause most of the city's air pollution, a study has found, contradicting government claims that regional sources are mainly to blame. The research by the University of Science and Technology and the think-tank Civic Exchange found that the city's emissions were the main factor in determining HK's air quality on 53% of the 324 polluted days last year. Roadside emissions and marine traffic were the biggest factors.

Activists want courts to clear air on pollution: Environmental activists are stepping up pressure on the government to update HK's environment laws by applying for a judicial review that the government has the legal obligation to protect people's health. They claim that existing legislation denies the public the right to breathe clean air.

Macau

Casino economy flourishes but experts warn of Macau imbalance: From elaborate skating shows to big-name pop concerts and haute-cuisine restaurants, Macau's booming casinos are sparking a flood of new business into the southern Chinese territory. But economists warn the gaming sector is flourishing at the expense of other parts of the economy as a labour crunch draws staff from public services like teaching and healthcare into high-paying casino jobs. "There is a structural nightmare awaiting Macau in three to five years unless something is done about the labour situation," said Barry Brewster, director of human resources management firm Evans and Peck. Macau is on a roll. Last year gaming revenue came to US\$7 billion, overtaking the earnings of Las Vegas' famous strip to become the biggest gaming attraction in the world.

Varia

Search on for HK Olympic sponsors: The organisers of the 2008 Beijing Olympics and its equestrian events in HK have started the search for potential sponsors to raise funds for the horse-riding programme. Yuan Bin, marketing department director for the 2008 Beijing Games organiser, said the sponsorship programme for the Olympic equestrian events would mainly target businesses in HK.

HK's population 'unsustainable': HK's population will not be sustainable if the city continues to rely on immigrants without persuading families to have more children, an Italian expert has warned. The government should adopt a mixed approach - increasing the fertility rate, encouraging immigration and maintaining a stable, short-term labour force such as domestic helpers, demographer Antonio Golini said.

Press articles related to Switzerland and Swiss matters

UBS can boost stake in broker (South China Morning Post, 7.3.2007): UBS has become the first overseas securities firm to win the right to own a Chinese brokerage as soon as the law permits, two sources with direct knowledge of the agreement said. The bank, which will initially own 20% of the UBS Securities venture, has a written agreement that its five Chinese partners are willing to sell their stakes. Gaining a bigger stake would help Zurich-based UBS control its expansion in China, where stock markets tripled in value in the past 12 months and more than US\$20 billion of share sales are planned this year.

Swiss bank joins race for wealthy (The Standard, 12.03.2007): Geneva-based private bank Banque Piguet & Cie has opened a regional headquarters in HK to get access to more than 320,000 US-dollar millionaires in the mainland. It is setting up office in anticipation of further mainland financial sector reforms. For now, it has opened a representative office.

Davos forum's founder plans Chinese summit (South China Morning Post, 18.3.2007): A plan to hold an annual "summer Davos" summit on the mainland reflects the "changing power equation" in the global economy and China's growing influence on the world stage, says the founder of the World Economic Forum.

The north-eastern city of Dalian is due to host the inaugural forum in September of the world's new generation of business leaders. It is designed to complement the annual meeting of the global elite in the Swiss town of Davos, said Klaus Schwab. "The world's centre of gravity is shifting from west to east," said Professor Schwab, who is chairman of the forum. "Dalian will be a launching pad for a second community inside the global economic forum."

Switzerland builds an express rail to Milan (Metro 23.3.2007): Switzerland is building an express rail system between Zürich and Milan. The full length of the rail will stay at an altitude of 500m above sea level and the project includes construction of a 57km-long tunnel, the longest one in the world. Trains can run at over 200 km per hour and it will then reduce current travel time between Zürich and Milan from 4 hours to 2.5 hours. However, the construction cost is expected to rise substantially and it is unlikely to complete before 2018.

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