

Economy

Visitor spending up, but number of arrivals falls short of estimate: Visitors to HK spent a record HK\$119.43 billion last year, up 12.7% on 2005 and exceeding the HK Tourism Board's tourist expenditure forecast for last year by more than HK\$4.7 billion. The strong showing came as the board reported 25.25 million visitors last year, short of its target of 27 million.

Easter boon for home sales: HK's property sales jumped more than sixfold during the five-day Easter holiday from the same period last year, fuelled by strong demand for luxury homes amid the city's robust economic growth. About 585 deals in the primary market were recorded during the holiday break, compared with about 90 units during the four-day break a year earlier.

Slower earnings growth expected for local banks: HK lenders, which enjoyed fast earnings growth last year, were likely to see growth slow this year amid the volatile stock market and potential tightening in interest-rate spreads. The lender's strong income growth was mainly driven by a sharp increase in net interest income, amid a widening gap between prime lending rate, from which they draw income, and the HK interbank offered rate, a benchmark for funding cost. Lenders also benefited from the buoyant equity market, which helped boost non-interest incomes such as fees and commissions from handling stock transactions and selling wealth management products.

Jobless total sees first rise since August The number of people without jobs last month increased for the first time since August, rising by about 5,700 to 152,500, even though the unemployment rate remained unchanged at 4.3%. The March unemployment rate is in line with consensus estimates and is at post-Asian financial crisis low.

HK dollar slides to near 22-year low: The HK dollar hit its lowest level in almost 22 year, undermined by strong corporate demand for the US currency. The HK dollar stood at 7.8211/12 to the greenback, the lowest level since September 1985, according to the HK Monetary Authority.

Consumer prices rose: Consumer prices rose 2.4% year on year last month, compared with February's 0.8% and January's 2%, the government said. The fluctuations over the first quarter are a result of the waiver of public housing rents by the Housing Authority and Housing Society for February.

Property confidence in HK remains high: Confidence among HK homeowners in the residential property market remains high even though Polytechnic University's quarterly BRE Confidence Index for Residential Property dipped three points in the first quarter of the year to 703 from December.

Concrete action in tax report ruled out: No concrete measures will be recommended in a forthcoming government report to solve the challenges faced by HK's tax system, although the majority of the public agree the city needs to broaden its tax base. A report, expected to be released next month, will summarise the submissions and analyse the data from a nine-month tax reform consultation. It is expected the report will point out that there is a consensus of the public that HK's tax base is too narrow and that they agree we should not avoid the problem, although they are opposed to introducing a GST.

Domestic politics

Tsang vows to shed elitist approach and listen to the people: Chief Executive Donald Tsang has conceded that his "elitist approach" to governing the city should change, and has promised to be more sensitive to the needs of the people. Mr Tsang, who won a second five-year term in office in the Election Committee poll, said he had learned from his election campaigning that he had to give the public a chance to "reject" him.

Pan-democrats doubt vow to move away from elitism: Chief Executive Donald Tsang's pledge to discard his elitist approach to governance has drawn scorn from the pan-democrats, who say they have seen no evidence of his intention to hear different opinions. On the day Mr Tsang was formally appointed to another term, Civic Party leader Audrey Eu attacked officials who claim to represent the whole community when only a select few appointed them.

Tsang gets glowing report from Beijing: Donald Tsang was given a glowing report card by Wen Jiabao as the premier formally appointed him to serve as chief executive from July 1. Mr Wen signed the State Council order for the appointment at a cabinet meeting in Beijing. Mr Tsang will fly to the capital to receive the instrument of appointment. The premier said Mr Tsang's victory had met the expectations of the HK people and reflected their trust in him.

Hold back reforms until after elections: Chief Executive Donald Tsang should not rush into presenting his proposals for constitutional reform aimed at universal suffrage, but should wait until after next year's

legislative elections, lawmaker and Liberal Party chief James Tien said. "Political lobbying for the support of 40 lawmakers should be made close to 2012, and not at the beginning of a new term for the chief executive, who is to conduct a territory-wide public consultation exercise from July this year for three months, and formulate the mainstream proposals six months later for submission to Beijing.

One man, one vote for Legco unlikely in 2012: The government put a damper on hopes that universal suffrage could be achieved for both the Legco and chief executive elections in 2012, saying it was more difficult to reach consensus on a system to return all legislators than on selecting a new leader. The message, carried in papers summing up discussions on electoral reform by a government commission, was the clearest indication yet on the likely speed of democratisation, after Donald Tsang's pledge to resolve the issue within his new five-year term. Pan-democrat legislators decried the report, saying it effectively ruled out an immediate move towards full democracy.

Tsang to lobby for political solution 'acceptable to all': HK will seek the views of central government leaders on the territory's future political development and strive for a solution acceptable to all sides, Chief Executive Donald Tsang said. "I hope to be able to exchange views with them on my manifesto, particularly in areas of common interest where we're able to complement each other's development and make sure we develop a further win-win situation for both sides in the coming five years."

DAB chief outlines his visions for democracy: HK people could be choosing the chief executive through universal suffrage by 2017 "at the earliest", in line with the gradual and orderly progress stated in the Basic Law, the DAB chairman says. But Ma Lik, chairman of the Democratic Alliance for the Betterment and Progress of HK, said electing all the members of the Legislative Council by one-man, one-vote should be later than 2017 because the electoral arrangement was more complicated as it involved phasing out functional constituencies.

Hu recognises HK's desire for democracy: President Hu Jintao acknowledged the advancement of democracy as one of the common wishes and fundamental interests of the people of HK, while insisting that it should progress in a "gradual and orderly" manner. The remarks were a rare recognition from Beijing of the importance of democratic development to the city.

Pan-democrats see reform hurdles: Lawmakers said they feared the government was encouraging conservative proposals on constitutional reform by putting up hurdles. They aired their concerns as Beijing loyalists floated another idea that would stop pan-democrats from taking part in chief executive elections

Don't rush democracy, urges Henderson chief: Universal suffrage should be introduced "the later, the better" because rushing it would "mess up" the economy, says tycoon Lee Shau-kee. Henderson Land Development's chairman described Chief Executive Donald Tsang, who he voted for in last month's election, as a "good steward" who was experienced in running the government. The chief executive has vowed to resolve the issue of universal suffrage within his five-year term. Mr Lee said he had personally benefited from the improving economy and would like to see the status quo being maintained, with a gradual move towards the ultimate goal of universal suffrage. "If we rush to introduce universal suffrage and mess things up, we will end up even worse than now. I don't dare say 2012 is too soon, but the later, the better."

Civic and Democratic parties to join forces for this year's elections: The pan-democratic camp is planning to field up to 300 candidates in this year's district council elections, which will also see an unprecedented partnership between the Democratic Party and Civic Party in canvassing activities. Party leaders hope the combined strength of the traditional Democratic Party and the new party with a professional and middle-class image will help gain ground in districts previously held by Beijing loyalists and conservatives.

International affairs

Regional rivals look to challenge HK: The city's position as the shopping destination of choice for mainland visitors may be safe for now, although regional rivals such as Singapore and Malaysia are stepping up efforts to pull more of the tourist dollars, a new survey suggests. It shows the average mainland visitor spends 4,700 yuan holidaying overseas, including in HK. This comes as the city attempts to salvage a tourism trade battered by recent allegations of shopping scams.

Taiwan suffers WHO blow. Taiwan's hopes of rejoining the World Health Organization have been dashed after the United Nations agency, headed by HK's former health chief, said the island's membership is now a "non issue." In a stern reply to a recent letter from President Chen Shui-bian to the organization, the WHO secretariat said it will not consider Taipei's bid now or in the future because Taiwan is not a sovereign state recognized by the world body.

Transborder affairs

Delays, cancellations and chaos on first day: The first day of faster rail services between Guangzhou and Shenzhen was marked by delays, cancellations and chaos as travellers waited hours to board trains.

More HK workers losing jobs to mainlanders in delta: More Hongkongers' positions in Pearl River Delta enterprises have been taken up by mainlanders, and the trend is continuing, a study by the University of HK has found. The study showed that the ratio of HK staff to mainland employees in companies interviewed in the delta had dropped from 1:120 in 2003 to 1:170 last year.

Co-location of border checkpoints approved: The Legislative Council approved a bill authorising the co-location of HK and mainland checkpoints at the Shenzhen end of the Western Corridor, which links Shekou in Shenzhen and Ngau Hom Shek in the New Territories. The passage of the bill is the first time that HK's jurisdiction has been extended across the border.

Legal affairs and human rights

Handicapped might get minimum wage: The Labour Department will study setting a minimum wage for the less-capable and the handicapped later this year. Permanent Secretary for Economic Development and Labour Paul Tang said it was one of the options being considered while preparing for the possible drafting of a minimum-wage law. He said the department would make a decision after a fact-finding trip later this year to Australia, which had introduced a minimum-wage system early in the last century.

Lawyers sought to cut court burden: Increasingly sophisticated crimes and a rise in Court of Final Appeal cases has forced the Department of Justice to launch a major recruitment drive to ease the strain on overworked government lawyers, Director of Public Prosecutions Grenville Cross said. To ease the workload of the "short-staffed" prosecutions division last year, more than 35% of 2,446 prosecution cases were briefed out to lawyers in the private sector, accounting for 62.6% of the 6,975 court days.

Health

Law to control fertility clinics finally on way: The city's fertility clinics may finally be regulated from July, seven years after a law was passed banning commercial surrogacy, sex selection and human cloning. But the licensing system will give clinics and embryo researchers a further six months' grace to meet standards, meaning they could continue to practise controversial fertility techniques during this time.

Environment

Green group urges climate action: A green group has called on the government to reactivate a co-ordination panel on climate change after a study by the Environmental Protection Department showed that the city would face a higher risk from infectious diseases because of global warming.

Study won't stop wall effect, says Civic Party: A study of the local wind environment to identify climatically sensitive areas in HK for air ventilation assessment will be completed in 2009, says the housing minister. But the Civic Party says this will be too late to stop the wall effect created by huge developments now being planned or built.

HK orchestra chief moves family to US to escape pollution: Conductor Edo de Waart is moving his family out of HK after just three years here, to protect them from the "terrible" air pollution. The Dutch maestro, who has repeatedly stressed his commitment to the city since taking up the baton of the HK Philharmonic Orchestra in 2004, is in the middle of relocating the family home to the United States.

Fast-food chains urged to cut down on waste: Fast-food outlets should consider doing away with wrappers for chopsticks, dispensing sugar from common containers instead of individual packets and other ways to cut down on disposable waste, a concern group says. Targeting three popular fast-food restaurants - Cafe de Coral, Fairwood and Maxim's - a Green Sense survey found diners on average threw away more than 10 million disposable items a month.

Macau

Macau beats HK in GDP growth: Macau's casino-driven economy has overtaken HK in per capita gross domestic product growth for the first time, sparking warning of worsening social problems and an overheating housing market. Figures released by the Macau government show per capita GDP last year was 227,508 patacas, compared with HK's HK\$214,710.

Casino executive sees no threat to Macau: Macau's position as the No1 casino destination will not be threatened by Singapore or other parts of Asia, according to an executive from Stanley Ho's firm. Even when Singapore's two multibillion-dollar casino developments open in 2010, the former Portuguese colony could still hold its position in the expanding gaming market, said Ambrose So, a director with Sociedade de Jogos de Macau.

Fear of casino turf wars as competition heats up: Casino violence has shown signs of resurfacing in Macau as competition heats up in an increasingly crowded gaming market. Analysts fear underworld troubles could be rekindled to a level not seen since the turbulent pre-handover period, when gambling-related crime was rampant. Legislator Au Kam-san warned that casino turf wars and murders might resurface in the wake of a decline in profits. "Nowadays the casino middlemen can still survive without much fighting," Mr Au said, "but once the profits shrink further the situation may get out of hand. Then the central government would have to intervene".

Macau police bracing for May Day protests: Thousands of Macau residents are expected to take to the streets on May Day to protest against labour policies and corruption. Police are determined to prevent a repeat of the violent clashes that broke out last May Day. Several interest groups, who staged the largest

protest in Macau in decades last year, are planning a new - and perhaps bigger - turnout as they say their demands have fallen on deaf ears.

Macau to offer land by public bid: Macau will start a process of open bidding for residential land later this year, Chief Executive Edmund Ho said. He also announced an abrupt suspension of the city's investment immigration scheme. But the scheme will not cover land for casino-hotel development, which is spearheading the property boom.

Crowded casino sector tipped to pare margins at Macau operators: Macau will continue to outperform the Las Vegas Strip as the world's largest gaming hub in the future, but increased supply will hurt casino operators' margins, according to Morgan Stanley managing director Rob Hart. Hart expects Macau gaming revenue to hit HK\$70 billion this year, up 27% from HK\$50 billion in 2006. He also upgraded the annual growth rate of Macau's gaming revenue from 16% to 22% until 2010, on the back of a strong economic performance in the mainland. Last year, the former Portuguese enclave became the world's largest single gaming market by revenue, surpassing the Las Vegas Strip, which had US\$6.39 billion in gaming revenue.

Labour shortages mounting in Macau: The Second Macau Investment Forum closed yesterday (27.4.2007) with investors expressing concern over the city's biggest problem - a dire labour shortage on one hand and tough opposition to importing labour on the other. For companies hoping to cash in on the casino boom, an eight-month wait to import workers, with no guarantee of the outcome, can be costly and exhausting, the two-day forum at Wynn Macau heard.

Big gamble on Macau: Gambling has a long history in China. Some consider the art of playing cards to have evolved in China more than a thousand years ago and implements supposedly used for gambling have been found in China and dated to around 2300 BC. But, for Beijing, it seems there is gambling and there is gambling. The distinction appears to be political expediency. Today, China can be considered the world's casino capital. Recently it was announced that revenue in Macau alone surpassed that of the traditional casino city, Las Vegas. With an annual turnover now of around US\$7 billion, Macau has become the biggest casino in the world. The basis of the Macau boom is of course gamblers from the mainland. Some 29 million are expected to jet or ferry in this year, an increase on the 22 million gambling souls who visited and emptied their pockets there in 2006.

Varia

It's a 9-month party for our 10th birthday: The SAR's 10th birthday bash will be spread over nine months and will cost HK\$97 million. Describing the 460 celebratory events as "celebrations for all", Permanent Secretary for Home Affairs Carrie Lam said the government is confident the activities will manifest the vibrancy and diversity of HK.

Quality-of-life issues become main concern: HK people are attaching increasing importance to environmental protection and urban planning and are less concerned about the economy, an annual development index shows. As their concern with such quality-of-life issues has risen, so their satisfaction with the city's performance in these areas has fallen.

400 suspect watches seized in customs raid: Customs officers raided a jewellery shop in To Kwa Wan and seized 400 suspected counterfeit watches as travel agents warned that the growing scandal over fake goods being sold to tourists could slash the number of visitors during next month's Labour Day "golden week". "We have reasons to suspect that those 400 watches, which belong to a Swiss brand, were fakes, after a series of investigations," Samson Chiu Yuk-hung, customs' divisional commander of Trade Descriptions Investigation, said after the raid.

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