

Economy + Finance

A new wind is blowing through the stock market: A decade ago, the HK stock market was dominated by the finance and real estate sectors, limiting the choices for investors. That has changed drastically over the past few years as increasing number of mainland firms have sought listings here, giving many more industries healthy representation in the market, a change that is definitely good for investors. The world is finally paying much more attention to environmental issues. This has caused investors to favour companies that have operations related to renewable energy.

Exhibition trade calls for tourism body to take over: Exhibition trade experts say the Tourism Commission should oversee strategic development of the convention industry to protect HK's share of the lucrative business, which contributed HK\$26 billion to the economy last year. Stanley Chu, chairman of the Exhibition and Convention Industry Association, warned that intensifying regional competition highlighted the increasingly tenuous lead HK holds in the convention industry. With Singapore, Thailand and other markets dedicating more resources to attracting lucrative trade shows and exhibitions, HK needed to demonstrate its commitment to growing the sector.

HK growth forecast for year raised to 6%: HK's robust economy is expected to expand by as much as 6% this year, despite concerns over an increasingly shaky global outlook, the government said. First-half results, buoyed by healthy exports, consumer demand and investment, are better than expected and have convinced the government to raise its full-year forecast to a "very high" 5 to 6%. This is despite fears that a potential US-led credit crunch will trigger a global financial meltdown. HK's official forecast was previously 4.5 to 5.5%.

Jobless rate falls to nine-year low: HK's unemployment fell to 4.1%, the lowest rate in nine years, as the economy accelerated on consumer spending, exports and investment. HK's longest economic expansion in almost a decade is giving businesses the confidence to hire more staff. The government raised its forecast for growth this year by half a percentage point to a range of 5% to 6%.

Bubbling economy sees records in job turnover, vacancies: Job turnover and vacancy rates soared to record highs in the second quarter of this year amid an active labour market and a more optimistic hiring outlook, according to a survey by the HK Institute of Human Resource Management. "The HK job market has performed well due to recent strong economic growth," institute president Lai Kam-tong said. "High employee turnover and job vacancies also indicate that recruitment conditions in general are becoming more difficult."

Domestic politics: "Green Paper" (consultation on constitutional reform), Universal Suffrage

Tang to fire up lukewarm reform debate: Chief Secretary Henry Tang will lead a series of forums on the green paper on political reform in an effort to fire up discussion following the cool public response. Two open forums and four regional forums, tentatively set to be closed-door, will be held according to government officials.

Anson Chan slams green paper in open letter: Former chief secretary Anson Chan has issued an open letter to the chief executive, criticizing the green paper on democratic reform for containing "a bewildering range of questions" and failing to provide any guarantee against manipulating the opinion-gathering process. In the letter, Mrs Chan addresses Donald Tsang and accuses him of failing to fulfil election pledges regarding political development. "The green paper does not reflect the public pledge you made ... to place before the community three possible models for attainment of universal suffrage for the election of the chief executive and all Legislative Council members," it says.

Talks on suffrage should start only after 2017: Beijing loyalists voiced strong opposition to an early introduction of universal suffrage, saying Hongkongers were not ready for full democracy and the government should not give people "false hopes". Speaking at a seminar at which constitutional affairs minister Stephen Lam explained the green paper on political reform, the Beijing loyalists also called for postponing discussions on universal suffrage until after 2017 to avoid destabilizing society. Mr Lam said he had "taken note" of their views and stressed the need to achieve consensus if universal suffrage was to be introduced.

So far, response to green paper is lukewarm at best: With nearly half the consultation period on constitutional reform having elapsed, pan-democrats claim the muted public response so far has vindicated their original criticism of the exercise. A government official privately admitted the response to the green paper had been lukewarm because of the summer holidays but was optimistic about the remaining weeks.

Business fears rapid reform, says Tang: Business leaders have expressed anxiety over taking the "wrong direction" if democratic reform is rushed, Chief Secretary Henry Tang said. "The business

community has been very sensible, although they have expressed some anxiety that if the pace were too fast, it would pose an undue challenge to the business community," said Mr Tang, speaking after a closed forum organized by various business chambers. He said business leaders would like to see democracy develop in a "gradual and orderly" fashion. "If you walk too quickly, then you might walk in the wrong direction," Mr Tang said.

Democrat hits at Beijing: Beijing has been accused of trying to orchestrate the consultation on democratic reform in HK. Democratic Party chairman Albert Ho described Beijing as being the "back-seat driver" in the consultation exercise, which is expected to end in October. The pro-democracy camp has been pushing for direct elections for the chief executive and the legislature in 2012. Mr Ho said some Beijing loyalists thought there would not be universal suffrage in 2012. "If China suppresses all this [full democracy] in HK, how would Taiwan be willing to reunite with the mainland?" he asked, urging people to make their voices heard to have universal suffrage in 2012.

Beijing loyalist defends democracy time frame remarks: Veteran Beijing loyalist Cheng Yiu-tong defended his statement that universal suffrage in 2012 was "impossible", insisting there was no conflict in expressing his personal views despite being an executive councillor. Mr Cheng, who is also a local delegate to the National People's Congress, stood by his remarks that one man, one vote could not be achieved in 2012 because it would not comply with the principle of "gradual and orderly progress" as stated under the Basic Law.

Domestic politics (other matters)

Converging views seen on election of HK chief: There is a convergence of views between the people of HK and the central government that any chief executive elected under universal suffrage must be acceptable to Beijing, a top government adviser says. Lau Siu-kai, head of the Central Policy Unit, also said the government would proactively seek public opinion when designing a final proposal for constitutional reform, in order to balance views gathered through submissions from political groups. Professor Lau said successive opinion surveys conducted by the top government think-tank, as well as polls conducted by other organizations, had shown people in HK were becoming more pragmatic as society recovered from the economic downturn, partly due to integration with the mainland.

Our objective is to be credible, not a government tool, says chairman: The chairman of the Bauhinia Foundation Research Centre - a policy think-tank with close ties to the chief executive - denied its objective was to back the government. But Anthony Wu admitted the centre would not conduct research that the government would not bother to consider. Mr Wu said the aim of the organization was to conduct research that looked at ways of sustaining HK's long-term competitiveness and improving people's livelihood. Critics say the centre is a government tool to carry out policy. They say the centre's work paves the way for the government to implement policies - the study on developing and financing HK's future health care being one example.

Elect chief executive by 2017, say Liberals: The Liberal Party has clarified its stance on the date the chief executive should be returned by universal suffrage - from a conditional 2012 to "not later than 2017" - saying this would keep the party from being seen as calling for an open-ended target.

Tang warns on radical action: Chief Secretary Henry Tang urged Hongkongers not to resort to civil disobedience to pressure the government to move faster on political reform, saying it would not succeed. He was speaking after former lawmaker Cyd Ho suggested non-co-operative action - such as delaying rate payments - to fight for dual universal suffrage by 2012. "I don't agree with such methods to seek universal suffrage," Mr. Tang said.

Tsang warned of wealth-gap time bomb: A social time bomb is looming unless urgent steps are taken to help the low-income group, which has been hit by soaring inflation and a widening wealth gap, Chief Executive Donald Tsang was warned. The warning was given by a group of local deputies to the National People's Congress during an hour-long meeting with Tsang ahead of his policy address in October.

Transborder affairs

Cross-border taskforce to help factories hit by new export rule: Chief Executive Donald Tsang and Guangdong Governor Huang Huahua have agreed to form a cross-border taskforce to help about 30,000 HK-owned processing factories hit by the mainland's new export rules. The taskforce, aimed at helping manufacturers move up the technology ladder and high-value production chain, would hammer out details of how to assist in the transition, Mr Tsang told the 10th plenary session of the HK-Guangdong Co-operation Joint Conference. In a move to rein in its swelling trade surplus, soothe international trade friction and cut pollution, Beijing has ordered all exporters to pay as a deposit half the amount they spend sourcing 1,853 raw materials such as metals, plastics and textiles for production into semi-finished goods. The move will tie up exporters' funds, hurting their cash flow and profitability.

Ideas floated for HK-Shenzhen mega-city: A plan to make HK and Shenzhen a single metropolis and an economic powerhouse bigger than London, Paris, Chicago or Los Angeles by 2020 has been set out by a think-tank close to Chief Executive Donald Tsang. The Bauhinia Foundation Research Centre issued a 10-point plan for achieving this goal. It includes fostering cross-border business co-operation; creating a

multiple-entry electronic smart card for Shenzhen permanent residents to enter HK; building a rail line between the two cities' airports; and a joint programme aimed at nurturing talent. The foundation says if the metropolis maintained gross domestic product growth of 8 per cent a year until 2020, its GDP would reach US\$1.11 trillion, putting it behind only Tokyo and New York.

Shenzhen mayor backs metropolis, urges smoother links: A HK-Shenzhen partnership is an "economic dream team," which could become a world-class metropolis in 15 years, the mayor of Shenzhen said. Xu Zongheng told the forum on "Jointly developing a World-Class Metropolis" in HK that high-level cooperation between the two cities was needed to kick the metropolis plan into high gear. A stronger rail and airport connection, smoother customs procedures at border crossings, and better people and information flow would be needed, Xu said.

Academic doubts if a mega-city would ensure HK's prosperity: Creating a single metropolis with Shenzhen might not be the answer to ensuring HK's prosperity, a leading academic on globalisation said. "There is enormous concern about how long the good times will last," Saskia Sassen, who also cast doubt on the idea that the union would result in "one city", said. "I have a hard time seeing that, because one of them is going to be dominant," she said.

Legal affairs and human rights

War of words erupts over HK's banning of Falun Gong group: HK and Taiwanese authorities engaged in a war of words over the refusal to grant scores of Taiwanese residents entry to HK in the run-up to the 10th anniversary of the city's handover. Taiwan's Mainland Affairs Council said yesterday it had instructed the island's representative in the city, Chung Hwa Travel Service, to lodge a protest with the HK government on July 17 over the "unreasonable treatment" of some Taiwanese at Chek Lap Kok airport at the end of June.

Environment

HK, Guangzhou get warning on warming: The climates of HK and Guangzhou have warmed twice as fast as the global average in the past century and the situation is worsening, a mainland research institute warned. Peng Shaolin, the former vice-president of the Chinese Academy of Science's Guangzhou branch, said temperatures in the two cities rose by an average of 1.2 degrees Celsius over the past 100 years, compared with the global average of 0.6 degrees. Professor Peng, who heads Sun Yat-sen University's ecology institute, said southern China was one of the areas that had been experiencing the effects of global warming more deeply than other parts of the world.

Fund firms driven out of polluted HK: Worsening pollution in HK is forcing hedge fund operators and investment specialists out of HK and into rival Singapore, company insiders say. Hedge funds, including US firms Marathon Asset Management and Stark Investments as well as mutual fund company Janus Capital, have moved their Asian headquarters to Singapore in the past six months, at least partly because of concerns by staff about their children's health. "Hedge fund bosses want to move to Singapore for their children's sake, but their younger single staff wants to stay in HK to party," said a banker who works with hedge funds.

Macau

Feeding the casino that ate Macau: You could be forgiven for thinking that casinos in Macau are already over the top. The tiny enclave last year overtook the Las Vegas Strip as the world's largest gaming market, and casino revenues were up 47.5% in the first half of this year. But consider for a moment the Venetian, or "the casino that ate Macau", as Las Vegas Sands Corp president and COO William Weidner jokingly refers to it. 2.4 billion, a sum greater than Macau's public works spending for the past five years combined, it is twice as expensive as anything that has ever been built in the territory. Around 15,000 people, 5% of the labour force, will show up for work each day. The mammoth complex opens with a 1.2 million-square-foot convention centre - larger than either the HK Convention and Exhibition Centre or AsiaWorld Expo - representing five times more convention space than exists in Macau today.

Macau prepares for another large protest on heels of May violence: Macau's traffic chaos and other social problems are poised to be aired in another large protest in the city following the violent Labour Day rally in May. Motorcyclists are expected to lead a demonstration on October 1, when a controversial traffic law takes effect. Growing public anger over the city's traffic jams looks set to boost the turnout. Several interest groups behind the Labour Day rally have indicated they will join the protest, although their demands may differ from those of the motorcyclists and commuters. On May 1, more than 6,000 people took part in the city's most violent protest in decades, which left 21 police officers and dozens of demonstrators injured. An officer fired shots into the air during clashes and one bullet hit a motorcyclist who was not taking part in the protest.

EU worried by new face of Macau: A European Union report expressed concern that Macau's rapid development was creating "steep and widening inequality". In contrast to previous reports, where the city's heritage efforts and strong economic performance had been heaped with praise, the report noted "pertinent problems". The Report from the Commission to the Council and the European Parliament on

Macau in 2006 painted a picture of the city, having overtaken Las Vegas as the world's largest gaming market, being under increasing strain with a "government facing increased challenges to achieve sustainable development". Congestion, pollution, inequality, "a groundswell of serious discontent" and allegations of corruption were given prominence in the report.

Has Macau taken too long gearing up for tourist throng?: The opening of the giant Venetian Macao resort will take Macau's casino boom to another level. The new flood of visitors it triggers will reinforce the case for a major upgrade of the city's public transport. With more tourists arriving, traffic is creating gridlock in Macau. Its entry ports are at near-capacity, handling 22 million visitors last year.

Convention blitz: The opening of the US\$2.4 billion Venetian Macao complex - which houses the world's second-largest building - is expected to hurt HK's tourism industry in the short term as the Venetian's convention and exhibition facilities draw more business visitors to Macau.

Dice roll the right way as Macau growth soars: Macau's gross domestic product in the second quarter surged by 31.9% on the back of booming casinos, bringing first-half GDP growth to 28.9%. With the Venetian Macao, the world's largest casino resort, boosting the gaming market following its opening, economists said the city's full-year GDP growth may hit a 10-year high.

Varia

HK narrows gap with mainland on expats costs of living: The falling US dollar and the rising yuan have narrowed the advantage Beijing and Shanghai enjoy over HK in costs of living for expatriates, a worldwide survey shows. But ECA International, which carried out the survey, said HK could not draw much satisfaction from its findings. Worsening air pollution and the lack of school places could put expatriates, especially those with families, off the city. And the survey does not factor in rents; an earlier survey by the company found rents for expatriates in HK were the highest in the world.

Protests as clock starts ticking in HK: While HK's top officials kicked off the one-year countdown to the Beijing Games at a ceremony in the city, protesters used the occasion to call for improved human rights on the mainland. Earlier 20 protesters carrying two of the "Fuwa" Games mascots demonstrated outside the International Olympic Committee offices, urging it to recognize labour rights on the mainland.

HK population hits 6.9m: HK's population has risen by 0.9% 6.9 million since mid-2006 - the bulk of the increase coming from births and the inflow of one-way permit holders from the mainland - according to the Census and Statistics Department. According to earlier statistics, more than one-third of the births are non-HK residents. Chung Kim-wah, an applied social science assistant professor at HK Polytechnic University, said the increase of mainlanders in the population mix may not ease social and economic pressures brought on by a rapidly aging population and a low birth rate.

Boom times bump up residency queue: Booming stock and property markets in HK and the mainland are believed to have fueled a dramatic rise in the number of foreigners seeking residency in the SAR. According to Helen Chan, assistant immigration director, the number of foreign passport holders, including Macau residents and mainlanders, applying for HK residency through the Capital Investment Entrant Scheme has gone up significantly in the past four years.

Press articles related to Switzerland

Swiss National Day (1.8.2007): As every year, "South China Morning Post" and "The Standard" have published a special supplement at the occasion of the Swiss National Day. Soft copies of these supplements can be obtained from the Consulate on demand.

Quiet boom hits Switzerland (The Standard, 24.8.2007): While house prices have exploded in cities like London and Madrid in recent years, a quieter but nonetheless significant boom is occurring in the normally staid property market in Switzerland. Foreign buyers are flooding into places like the town of Kuesnacht, just a few minutes by car from the banking and insurance center of Zurich, driving prices for top-end properties to record levels.

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