

Economy + Finance

March flat sales up 86pc in value: The value of home sales in HK soared 86.8% to HK\$25.4 billion in March from the previous month to hit a nine-month high, according to Land Registry data. The number of residential transactions rose 58.3% from February to 7,102, an eight-month high. The residential property sector has improved dramatically with sales in the secondary market reaching a 62-week high and inventory units dropping for the first time since the financial tsunami struck, realtors said.

Yuan bonds lift hope: New policies to allow more yuan-denominated bonds to be issued in HK could lead to a huge increase in yuan liquidity in the city, analysts said. Chief Executive Donald Tsang said that the central government will implement a range of policies to spur the yuan-bond market in HK. The measures include allowing the mainland units of local banks to issue yuan bonds in HK and the possibility of China's Ministry of Finance issuing yuan bonds in the SAR.

Cities named for yuan trade trial: China took a step toward using the yuan to settle trade with HK and regional trade partners by naming five mainland cities that will participate in a pilot scheme. For HK this will mean businesses can use the yuan instead of the US dollar to settle transactions with companies in the five cities. The State Council named Shanghai and four cities in Guangdong - Guangzhou, Shenzhen, Zhuhai and Dongguan - to start the trial. The approval paves the way for municipal authorities to make specific arrangements for the launch of the program, the general outline for which it unveiled in December.

Yuan settlement scheme will not affect peg: Mainland's plan to allow yuan trading settlement in HK will not affect the territory's currency peg with the US dollar, Chief Executive Donald Tsang said. The scheme will start in HK, allowing importers and exporters in cross-border trade to exchange HK dollars for the Chinese yuan and vice-versa, even though the yuan is not fully convertible.

Unemployment rate hits 5.2pc but pace of deterioration slows: HK's jobless rate has risen to 5.2%, the highest since January 2006, but the 0.2 percentage-point rise in the first quarter of the year represents the slowest rate of increase since the financial crisis began. However, economists warn that the pace might pick up in coming months, when thousands of students leave schools and universities.

Forecast bleak for fair as buyers hit by budget cuts: Buyers have come to the Houseware Fair at HK Convention and Exhibition Center with their budgets cut by half, according to first-day reports. Exhibitors are also predicting a 30% drop in orders, with some reporting a 33% drop in buyers compared with last year's opening day. A total of 2,218 exhibitors from 37 countries and regions are taking part, a drop of 6% last year's fair.

HK urged to focus on maritime industry to become trade hub: The government must take a more active role in developing HK's maritime industry into an Asian trade hub or it would lose out to Shanghai and Singapore, an influential think-tank warned. The One Country Two Systems Research Institute said the three cities were best poised to capture lucrative business as the shipping industry slowly moved its centre of gravity from Europe to Asia.

Factory orders start to pick up: HK-owned mainland factories - which have been severely battered by the financial crisis - are showing signs of recovery, the Federation of HK Industries says. "We are seeing overseas orders coming back gradually," federation deputy chairman Stanley Lau said. He said that immediately after the crisis began in September, orders declined by 30 to 90%. But the situation had improved as orders were only down by 20 to 30% compared with a year ago, he said.

Talks next week on key HK growth areas: Focus groups under a high-level taskforce will start discussions on ways to develop the six economic pillars on which the chief executive is pinning hopes for the city's long-term growth. The government-appointed Taskforce on Economic Challenges has identified six areas in which HK has an edge: education; medical services; environment, innovation and technology; cultural and creative industries; food safety; and product testing and certification.

Domestic politics

HK saved from tax-haven tag in final communiqué: Chief Executive Donald Tsang leapt to the defence of HK's tax standards, after a row over the city's compliance with global rules threatened to derail the G20 summit. Mr Tsang pointed out that the government was seeking lawmakers' approval for changes to tax laws this year to allow information to be shared with foreign authorities to crack down on tax evasion - a move already announced in this year's budget. HK's tax rules fell under the international spotlight amid moves that threatened to see the city declared a tax haven in the G20 final communiqué. That humiliation was apparently averted after President Hu Jintao refused to countenance the inclusion of a list of tax havens in the communiqué.

HK is no tax haven, insist top officials: HK should not be regarded as a "tax haven" just because the region has a lower tax rate, top officials in HK said on Friday in response to calls at the G20 summit for a tougher stance against places considered to be tax havens. "HK enjoys low tax rates and simple tax system. Our tax system is

also one of high transparency. But that doesn't mean HK has become a tax haven," Chief Executive Donald Tsang said. "HK's tax system also meets international standards," Mr Tsang told local media.

Plan for tax-haven law prompts privacy fears: A proposed law change in the middle of this year may help HK avoid being labelled a tax haven, but individuals and companies are worried about privacy. The amendment will mean the information they submit to local tax authorities can be passed on to officials elsewhere. Chief Executive Donald Tsang said the government would submit a proposal to change the law to allow the Inland Revenue Department to share information with foreign authorities trying to crack down on tax evasion.

Union calls on government to set statutory minimum wage at HK\$33: A union has called on the government to set the statutory minimum wage at HK\$33 after a survey found the hourly pay of workers at seven local fast food chains was as low as HK\$18.94. The hourly pay rate of HK\$18.94 means a worker at KFC only earns HK\$3,940 a month based on an eight-hour shift with a six-day work week. "We demand that the government set the minimum wage level at HK\$33 so workers can make enough money to feed themselves and their families. With the present hourly rates, most of these workers cannot even buy a meal at these restaurants," Mr Lee said.

Relations HK - Mainland China

Beijing pledges measures to boost HK economy: The central government has rolled out a raft of measures to help HK through the global economic meltdown, including issuing more yuan-denominated bonds and making it easier for companies in the city to borrow money and distribute their goods on the mainland. Chief Executive Donald Tsang announced the measures after a meeting with Premier Wen Jiabao on the sidelines of the Boao Forum on Hainan Island. The central government will expand the number of commercial institutions allowed to issue yuan-denominated bonds in HK and the amount of funds to be raised.

Transborder affairs

New Shenzhen-HK visitor scheme launched: A new multi-entry visitor scheme which will make it easier for Shenzhen residents to visit HK was launched. Government officials say an aim of the new initiative is to help boost the economy of HK during the global economic crisis. Residents in Shenzhen can now apply for new 12-month multiple-entry visitor permits to HK. About 2.6 million Shenzhen permanent residents are eligible to apply for a 12-month multiple-entry visit permit to HK.

Bank of China deal to keep bridge tolls down: Private car drivers may pay just HK\$100, or even less, to use the bridge linking HK with Macau and Zhuhai, thanks to a financing package which the Bank of China described as one of the best it has offered. Bank of China was selected as the lead bank to provide the three governments a loan of 22 billion yuan or 58% of the construction cost of the main bridge. It will charge an interest rate 10% lower than its benchmark lending rate - the lowest possible allowed by the state authorities. The 35-year repayment period is also one of the longest offered for major infrastructure projects.

Guangdong gets HK investment vote: HK and Macau companies have increased their investments in Guangdong since the beginning of this year despite fears of factory closures, according to the province's leader. Wang Yang, a member of the Politburo of the Central Committee and Secretary of Guangdong Provincial Committee, told a visiting delegation from HK that direct overseas investment had fallen in the first two months of the year. But he said investment from HK and Macau had risen dramatically.

Legal affairs and human rights

Graft gripes up as slump bites: Corruption complaints surged 23% to 811 in the first quarter this year and nearly half of the increase involved the finance and insurance sectors. Compared with 659 reports received in the same period last year, those related to finance and insurance sectors surged 46% to 38 cases. Independent Commission Against Corruption chief Timothy Tong said the ICAC will step up its vigilance during the economic meltdown.

Chief justice hails rule of law at opening of conference: Chief Justice Andrew Li welcomed the landmark return of the Commonwealth Law Conference to HK, noting that this was the first time a non-commonwealth jurisdiction had hosted the conference. It represented a recognition of the successful implementation of "one country, two systems", he told the conference opening ceremony. More than 600 lawyers from 43 countries are in the city for their annual conference, a four-day event titled "The Dynamics of Law in a Rapidly Changing World", which will include discussion on human rights, commercial law and the role of the profession. HK hosted the 7th Commonwealth Law Conference in 1983, which the chief justice noted in his welcoming speech had "occurred in a different era".

Journalists demand probe into data code: The chief executive should launch a public consultation on how to change the much-criticised code on access to information, the HK Journalists Association urged. The call came after the Ombudsman launched an investigation into what it called "a lack of understanding" by officials on the regulation, which is supposedly aimed at helping the public access information. In a letter to Chief Executive Donald Tsang, Camoes Tam, chairman of the media group, said access to information "lags far behind" Britain, on which the city's model is based. "We urge you to order the preparation of a consultation document outlining

different approaches to freedom of information legislation, to allow a proper public debate on the issue," the association said.

Health

HK draws up swine flu battle plan: The health minister declared that HK was ready for the first local case of swine flu, saying all schools would be shut down and holiday camps used to quarantine patients if the emerging disease spread in the community. Speaking after a meeting of an experts' committee on the possible flu pandemic - and as the disease continued its rapid spread across the globe - York Chow said the government would "make plans for the worst and prepare to the fullest". "We are now fully on guard for the first swine flu infection case to come to HK."

It's creeping closer: Hongkongers are bracing themselves for a return to the horror days of the SARS epidemic as swine flu creeps closer. "We are ready and waiting for the first case to arrive in HK," Secretary for Food and Health York Chow said as he came out of a meeting with health experts and government officials. Turning holiday camps into isolation centers - among tough tactics during SARS in 2003 - is one of the measures already under way.

City cleanup campaign to fight swine flu: A citywide "Clean HK Campaign" will be launched within two to three weeks, similar to one set up during the Sars outbreak, to disinfect back alleys, transport facilities and public installations to combat a possible swine flu outbreak, the government said. The Food and Health Bureau would draw up a plan on how to collaborate with other departments in cleaning the city's public facilities, said York Chow, the secretary for food and health, who will meet the chairmen of the 18 district councils.

Environment

Crisis-hit factory closures flush out Delta pollutants: The financial crisis has a bright side - air quality in the Pearl River Delta region improved for the first time in three years in 2008, partly due to the closure of factories in Guangdong. The average concentration of sulphur dioxide and respirable suspended particulates that can penetrate the lungs decreased by 19 and 11% compared to 2007.

Culture and education

GSIS will move pupils to temporary site despite parent protests: The board of the German Swiss International School is to go ahead with the move of some of its youngest students to a temporary site in Ma On Shan despite facing a parents' rebellion over the issue. Board members of the international school made a "unanimous" decision to stick to the Ma On Shan temporary school site offered by the Education Bureau while The Peak campus is being renovated. Upper primary students will be sent away to make room for construction and the lower primary students will be moved to a new campus at Pok Fu Lam from summer 2010. The decision comes after a majority of parents who attended two extraordinary general meetings voted against the proposal and threatened to remove the board

Macau

Macau's housing market records surprise rebound: A surprise rebound in Macau's housing market has kindled hopes for recovery - despite clouds of uncertainty still hanging over the battered property sector. A government plan to subsidise homebuyers is believed to be a key factor behind the improved figures. Macau doles out cash to ease the crisis: Macau's chief executive announced a 3 billion pataca cash giveaway - with 6,000 patacas for each permanent resident among the relief measures - ahead of an expected annual protest on May 1. Macau's move comes at a time when the HK government is under pressure over a budget widely criticised for its insufficient relief measures amid the economic crisis.

Macau's luck turns as casino revenue grows 8pc: Macau's protracted losing streak may have ended in the first three months of this year with gaming revenue showing a turnaround to positive growth after three quarters of sequential declines. (...) Macau's luck may have turned a corner from the contracting casino winnings and visitor arrivals that characterised the latter part of last year. The new figures suggest the world's biggest casino market hit bottom in the fourth quarter and is starting a modest recovery after a credit crunch among VIP junket agents and Beijing's restrictions on mainlanders travelling to the city.

Macau avoids vote to choose electors for chief: No poll will be needed to choose the 300-member panel that will elect Macau's next chief executive, the city's Electoral Affairs Commission announced. That's because precisely 254 people registered to contest the 254 places on the panel open to representatives of seven functional constituencies, making a vote unnecessary. The other 46 seats on the Election Committee require no election. Twelve of them go to Macau's 12 delegates to the National People's Congress and six are for religious leaders, for a total of 272. Another 12 are reserved for the 30-plus delegates to the Chinese People's Political Consultative Conference, who will conduct an internal poll to choose their representatives. A further 16 seats will go to Macau legislators, who will choose their representatives through a poll among themselves.

2 Macau officials gain ground in race for top post: Two leading officials are emerging as the most likely candidates to be named as contenders for Macau's chief executive election, perhaps as early as next month, observers say. It is widely believed that chief prosecutor Ho Chio-meng and cultural minister Fernando Chui are

of similar standing in Beijing's eyes, and therefore have similar chances of winning an election. All seats on the Election Committee, a 300-member panel set up to choose Macau's new leader, have been filled, with the last 28 seats being divided among Macau legislators and delegates to the Chinese People's Political Consultative Conference. But Chief Executive Edmund Ho has yet to announce a date for the election, which is expected to occur in August.

Varia

HK has 'friendliest' tax regime: China has the harshest tax regime in the Asia-Pacific region while HK offers the friendliest, Forbes Asia business magazine said in its this year survey. Forbes said China's tax "misery score" rose seven points to 159 from last year after Beijing imposed higher employer and employee social security taxes as its economy took a hit from the global economic downturn. By contrast, HK's tax misery score of 41.5 ranked the best in the Asia-Pacific region. HK's corporate tax stands at 16.5%, personal income tax at 15% cent and employer and employee social security levy at 5% each, it said.

White-collar staff to swell Labour Day marches: Finance and bank staff will swell the ranks of demonstrators at this year's Labour Day rallies, trade unionists are predicting. "Most who joined our rally used to be blue-collar workers such as cleaners, security guards and construction workers," Confederation of Trade Unions organising co-ordinator Mung Siu-tat said. "But we expect to have many from the finance sector and banking staff attend this year."

Cybercops get crime-fight boost: The frontline battle against online crime will be boosted with a tripling of manpower in the Police Technology Crime Division. Staff numbers in the cybercrime unit will jump from 26 to 71 this year to combat crimes from sex-stalking to child pornography as well as hacking.

Pray, excuse me: The new leader of the Catholic Church in HK says he will continue the fight for a vindication of those involved in the June 4 Tiananmen Square crackdown but will not attend the annual vigils to remember those who died. He also said religious freedoms and human rights in the mainland are far from ideal though there has been progress in other areas.

Container parks bursting at seams: The New Territories' infamous container parks are spilling over into more rural land and green-belt areas to house mountains of boxes left empty by the slump in global exports. Unauthorised container depots have mushroomed in the past two months as operators wait for the government to provide a site expected to become available in August.

City lags in survey on quality of living: HK was ranked 70th in overall quality of living in the world - the same as last year - well behind Singapore, in 26th place, and eight Japanese cities. (...) Vienna, Austria, topped the quality-of-life chart with 108.6 points, overtaking Zurich in Switzerland, which topped the chart last year.

Press articles related to Switzerland (+ Swiss matters)

UBS bans staff from seeing clients abroad (SCMP, 6.4.2009): Switzerland's embattled bank UBS has banned wealth management advisers from making business trips abroad to see foreign clients, a spokeswoman for the bank said. Swiss media reported that about 1,000 UBS staff were ordered in the past week to rely on e-mail or telephone contacts with clients abroad, amid fears that they might fall foul of a tax crackdown by foreign regulators. "I can confirm there is a travel ban for client-facing wealth management staff," UBS spokeswoman Eveline Mueller said. "We are currently conducting a comprehensive review of the policy and compliance framework in international wealth management," she added.

Architecture's top prize goes to low-profile Alpine minimalist (SCMP, 14.4.2009): Peter Zumthor, a Swiss designer who spurns the limelight while creating a handful of meticulously crafted buildings at his alpine retreat, has won his profession's top honour, the Pritzker Architecture Prize. Mr Zumthor, 65, is the third native of Switzerland to receive what is sometimes described as architecture's equivalent of the Nobel Prize.

UBS to slash a further 8,700 jobs amid losses (SCMP, 15.4.2009): UBS, Switzerland's largest bank, plans to cut an additional 8,700 jobs, bringing total staff reductions to almost 20% of the workforce, amid mounting losses and customer defections. UBS remained in a "precarious situation" after clients withdrew 23 billion Swiss francs from the main wealth management unit and the bank posted a first-quarter net loss of almost 2 billion francs, outgoing chairman Peter Kurer told shareholders. Mr Kurer is leaving after a year in the job amid a probe into whether UBS helped wealthy Americans evade taxes. Chief executive Oswald Gruebel, who was called out of retirement in February, plans to save as much as 4 billion francs by the end of next year after UBS posted the biggest credit-related write-downs of any European bank.

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