

Economy + Finance

Fewer non-local firms in the city: Fewer non-local companies are operating in HK compared with a year ago because of the financial crisis, but the government remains bullish as it sees the strongest-ever line-up of companies considering setting up shop here. The number of foreign, mainland and Taiwanese companies recorded a 3.3% decline from its peak a year ago. As of June 1, there were 6,397 such companies representing parent companies located outside the city, according to an annual survey conducted by InvestHK and the Census and Statistics Department. The latest figure includes 1,252 regional headquarters and 2,328 regional offices, while the rest were local offices. The decline ended the growing trend in recent years, which peaked last year with 6,612 foreign business operations in the city.

HK beats New York, London as top wine market: HK has overtaken New York and London as the largest wine market for two of the world's biggest auction houses, the firms said, highlighting a trend spurred by surging demand from the mainland.

Economy may grow this quarter: HK's economy is likely to expand this quarter after contracting for the past four, amid growing signs the global recession has eased, the University of HK forecasts. Year on year, the university projects that real gross domestic product shrank by 2.1% in the third quarter, less than its previous estimate of 3.3%, because of stronger consumer spending. Mild growth of 1% is estimated for this quarter, given a low base of comparison a year ago. For the full year, real GDP is forecast to contract by 3.1%. This is more optimistic than the official projection of a contraction of between 3.5 and 4.5%.

Little room for expansion in HK, luxury hotel chains lament: A lack of suitable sites and the relatively high cost of land are frustrating efforts by some of the biggest names in the luxury hotel business to tap the lucrative business travel market in HK. Like many markets, HK is focusing on attracting more business travellers, who tend to stay longer and spend more than leisure visitors and tour groups. But the Central business district suffers from a dearth of luxury hotel rooms, as a lack of prime sites and high commercial rents see developers turning their backs on hotels in favour of lucrative office towers.

CE outlines new strategies for economic development: Chief Executive Donald Tsang has in his annual Policy Address set out strategies for HK to break new ground in economic development and sustainable growth. Mr Tsang said the global economic crisis had underscored the need for HK to diversify its economic base in areas that complemented the traditional pillar industries of financial services, tourism, trade and logistics and professionals services. He announced new initiatives to develop six industries where Hong Kong enjoyed clear advantages: education services, medical services, testing and certification services, environmental industries, innovation and technology, and cultural and creative industries.

Jobless rate drops for first time since the meltdown: The unemployment rate has declined for the first time since the global financial crisis hit HK last autumn, but economists do not expect the trend to continue. It fell to 5.3 per cent for the months of July-September, 0.1 of a percentage point less than the rate in June-August, the Census and Statistics Department said. "As business conditions gradually improve and the labour market stabilises, employers may adopt a more positive attitude towards recruitment," Secretary for Labour and Welfare Matthew Cheung said. "This is expected to ease the pressure on the unemployment rate in the near term."

Administration to act if property market is 'unfair' and 'unhealthy': Financial Secretary John Tsang warned major developers that the government would intervene in the property market if it became "unfair" and "unhealthy". The threat of government action is being seen as an attempt to head off possible overheating in the housing market. The finance chief said there were public concerns that rising prices for luxury flats would trickle down to the mass housing market.

Consumers on top of the world: In another sign that HK is banishing the recession blues, consumer confidence in Hong Kong rose the most in the world in the third quarter, according to a global survey. Optimism about job prospects, household income and spending rebounded strongly, according to the regular survey by The Nielsen Company, a global information and media firm. Nielsen's index showed consumer confidence in HK jumped 14 points to 93 in the third quarter, from 79 in the second quarter.

Domestic politics

A reality check in the debate on minimum pay: What's the point of a minimum wage? Unions say it should enable a worker to live with dignity and support at least one family member. Not so, say the government and Liberal Party. It represents a wage floor and is not supposed to combat poverty. These opposing views were at the heart of a debate by lawmakers on the objectives of introducing a minimum

wage. A provisional commission was set up in February to study a basket of factors and develop a minimum wage rate.

Democrat anger at no wind of change: Democrats denounced Donald Tsang's effort, saying the only new information he offered on political change was that a public consultation will begin next month. They were angered in particular by there being just two paragraphs on constitutional reform - specifically, on the need for changes to two elections in 2012. There were suggestions that pan-democrats would stage a walk-out, but this did not materialize. What did happen was the removal from the chamber of the three League of Social Democrat lawmakers for being disruptive.

CE 'must answer' on bulb controversy: Pan-democrats have demanded that the chief executive appear in the legislature to answer allegations that he intentionally favoured an in-law's light bulb business when he launched a scheme to encourage the use of energy-saving bulbs. Donald Tsang has denied the allegations but his failure to declare the potential conflict of interest when the Executive Council endorsed the scheme - announced in the policy address - has triggered calls for the declaration system to be revamped.

CE under fire for another in-law problem: Lawmaker Abraham Razack who helped a sister-in-law of Chief Executive Donald Tsang get compensation for losses on Lehman Brothers minibonds said his actions were being politicised and the disclosure of them was malicious. Donald Tsang denied knowledge of the lawmaker's help for his sister-in-law. Lawmaker Ronny Tong of the Civic Party said there was no reason to doubt Donald Tsang's assertion that he did not interfere. But the public's reaction to news of the matter showed "public confidence in the chief executive is extremely low".

Embattled CE hits back at the media: Embattled Chief Executive Donald Tsang launched a scathing attack on the media over allegations of favouritism to his relatives, which he described as "fabrications". "These were absolute fabrications and vicious attacks," he said, referring to allegations that he had favoured an in-law's light-bulb business with his plan to encourage the use of energy-saving bulbs, and had intervened in his sister-in-law's claim for compensation for her investment in failed Lehman Brothers minibonds. Over the past two weeks, several local Chinese-language newspapers have run daily front-page stories about the allegations. Former security chief Regina Ip, now an independent legislator, said Tsang's counter-attack on the media would not help improve his image.

Relations HK - Mainland China

Premier Wen refuses to be drawn on Tsang's failure: Premier Wen Jiabao has been drawn into the saga over the chief executive's failure to declare an interest before announcing the issuing of coupons to buy green light bulbs. "The public's expectations of the government arising from the social and economic conflicts could be handled in accordance with the law and through proper channels," Wen said. Ivan Choy of Chinese University said Wen's comments would appear to be in line with Beijing's policy. "There are rumours that some of Tsang's rivals have gone to Beijing to bad-mouth Tsang's cabinet and governance. If this is true, what Wen said about proper channels and acting in accordance with the law could be seen as indirect support for Tsang," he said.

Transborder affairs

HK's bill for airports rail link put at HK\$50 billion: The planned rail link between the HK and Shenzhen airports would cost HK more than HK\$50 billion, according to a government-commissioned study. The study found that it would be expensive to build the 50-kilometre cross-border link because most of the HK section would have to be built underground and include a seven-kilometre cross-harbour tunnel between the airport and Tuen Mun.

Express rail approved - at 65pc price rise: The Executive Council has given the green light to the Guangzhou-Shenzhen-Hong Kong Express Rail Link with a price tag of HK\$65.2 billion - a 65 per cent blowout from the original estimate - which means the government will recover less than half of the construction cost in 50 years. Secretary for Transport and Housing Eva Cheng said the government did not plan to make a profit from the line. "The function of this rail is to link us up to 16,000km of the national rail network. It is very important for our integration with the mainland and has to be built."

Legal affairs and human rights

HK rises in press freedom index: French-based Reporters Without Borders rated HK 48th of 175 countries and territories in its annual Press Freedom Index, a three-slot improvement over last year, which placed it fourth in the region. The organisation said HK would have done better without nagging doubts about self-censorship. It added that violence against journalists was "almost zero" in HK, direct censorship did not exist and there was no censorship of the internet.

Health

Mandatory health insurance dropped, voluntary scheme floated: The government will float a proposal for a voluntary medical insurance and savings scheme next year after finally dropping a controversial mandatory financing plan in the face of public opposition. Explaining that the public had reservations about any mandatory scheme, Chief Executive Donald Tsang said the voluntary scheme would be worked out soon and would have both a savings and insurance component. The HK\$50 billion set aside for health care reform would be used to subsidise people entering the scheme, he said.

Environment

Pollution mostly local, study finds: Sulphur dioxide pollution in HK is mostly generated in the city, particularly in the container port and by shipping, a leading atmospheric scientist has found. Dr Alexis Lau, an associate professor at the University of Science and Technology's Institute for the Environment, said the findings of a study suggested that pollutant criteria proposed in the government's air quality review had to be tightened further or public health would continue to be at great risk.

Culture and education

Critics pan questions in arts hub consultation: The public consultation on the design of the West Kowloon Cultural District has come under fire for evading controversial issues and asking obvious questions. The three-month consultation will gather ideas on how the 40-hectare arts hub should be planned. The findings will be given to the three renowned architectural teams vying to design it.

Macau

Macau reborn: A year ago, Asia's gaming capital was a scene of desolation. Macau was not spared the ravages of the global financial crisis and construction on some multibillion dollar attractions was suspended as casino operators felt the credit squeeze. To make matters worse, Beijing restricted visits to the city by its cash-rich citizens - and public officials - dreaming of easy pickings at the casinos. Now the gloom is lifting and mainland visitors are back again in force - the perfect gift for Macau to mark the National Day Golden Week. Tour operators, casinos and hotels are delighted and confident the gaming city is on the rise again.

Casino stocks slide as Macau moves to review rules: Macau casino stocks slid after the former Portuguese enclave said it may review rules governing the world's fastest-growing gambling market, and could introduce new ones that might limit expansion. But analysts and brokers said the reaction from investors was purely psychological and did not reflect the growth fundamentals of the enclave, the only place in the country where gambling is legal.

Varia

Nobel winner lights way for HK: Charles Kao, the retired vice chancellor of the Chinese University of HK who is called "the father of fiber optics" for launching the infotech revolution, has been named co-winner of the 2009 Nobel Prize for physics. Kao, 75, won half of the physics prize for his pioneering work on fiber optics while Willard Boyle and George Smith of Bell Laboratories, New Jersey, shared the other half for semiconductor breakthroughs. The Nobel jury called the trio "masters of light" for transforming communications from copper-wire telephony and postal mail to the era of the internet, e-mail and instant messaging.

Blueprint to save city's historic heart: Donald Tsang unveiled plans to give overdeveloped Central some much-needed breathing space - at a cost of more than HK\$26 billion in potential land revenue. They include preserving part of the government's headquarters buildings and turning the Central Market into an "urban oasis". The chief executive, in a policy address he described as a "back-to-basics" blueprint, also came up with measures to revitalise more than 1,000 old industrial buildings - one of several steps intended to help knowledge-based industries develop.

Press articles related to Switzerland and Swiss matters

Swiss refuse bail for Polanski: Swiss authorities rejected an appeal by lawyers for Roman Polanski, who was arrested last month after fleeing America in 1978 from a charge of unlawful sex with a 13-year-old, to release the film director from prison. Justice ministry spokesman Folco Galli said authorities believed there was a "great danger" that the 76-year-old French-Polish filmmaker would flee if his bail request was granted, pending a full extradition request from the US on the three-decades-old case against him in California.

351.0 - ROH/MUJ/KZF/CHW/KSW/TSM

Disclaimer

This is a review of the Hong Kong media and does not necessarily represent the opinion of the Consulate General of Switzerland. The Consulate General of Switzerland in Hong Kong does not bear any responsibility for the topicality, correctness, completeness or quality of the information provided. Liability claims regarding damage caused by the use of any information provided, including any kind of information which might be incomplete or incorrect, will therefore be rejected.