

Economy + Finance

HK just avoids recession, but exports down: HK narrowly escaped a recession, with its economy growing 0.1 per cent in the third quarter from the previous three months. Low unemployment and continued growth in visitors from the mainland meant consumption held up, but the euro-zone debt crisis dragged exports down. The government warned that global economic uncertainty could worsen in the near term and that growth could remain subdued. Meanwhile, inflation is expected to peak in the fourth quarter, with rents and food prices stabilising. That the economy avoided sinking into recession was down to a number of factors, the government said. Strong private consumption, boosted by tourism, and investment had offset a fall in exports. The government forecast economic growth for the full year of 5 per cent - at the bottom end of its earlier forecast of 5 per cent to 6 per cent.

HK may fall into recession, says IMF: HK could slide into a recession next year because of depressed trade and instability in the financial sector, the International Monetary Fund warned. It said the rapid growth in bank loans also raised the risk of rising bad loans. The IMF also cautioned that HK's growth would slow to 4 per cent next year, or even become negative, should the euro-zone crisis spin out of control and hurt the city's trade and financial sectors. The IMF's assessment was that HK was performing very well economically. However, as a small, open economy it was highly vulnerable to shocks.

Beijing gives yuan boost to HK: The mainland has doubled its currency swap arrangement with HK to 400 billion yuan (HK\$490 billion) - a move that will consolidate the city's role as a major offshore yuan trading centre. The new agreement between the People's Bank of China (PBOC) and the HK Monetary Authority (HKMA) will supersede the accord signed in January 2009 for another three years. Essentially, it gives HK greater access to the mainland central bank's yuan pool and will encourage more businesses to use the yuan as an invoicing currency. This will in turn help Beijing to make the currency global.

New survey backs 5pc pay rises: Another survey has found employers are planning to give average pay rises of 5 per cent next year. The HK Institute of Human Resource Management said 54 out of 103 companies surveyed confirmed they were budgeting for 5 per cent raises. Similar results emerged from a poll released recently by the HK People Management Association and Baptist University's Centre for Human Resources Strategy and Development.

Migrant real estate investments soar: An immigration scheme allowing investors - largely from the mainland - to seek HK residency rights attracted HK\$13.2 billion in real estate investments in the first nine months of this year. That was up 42.3 per cent from last year, as applicants rushed in before the government stopped counting property purchases as investments under the Capital Investment Entrant Scheme to cool the market. The amount of money invested in property is likely to diminish from mid-2012 because the number of applications has halved since the decision in October 2010 to remove property purchases as a qualification for becoming an investment migrant.

Three sides of coin on HK\$28 pay: The Minimum Wage Commission met representatives of four major business chambers and three labour unions to discuss whether and how the minimum wage, which came into force in May, should be adjusted. The minimum wage should be maintained at HK\$28 per hour next year, the Chinese General Chamber of Commerce urged. The Confederation of Trade Unions said inflation had forced up rents and the costs of imported raw materials. Meanwhile, City University economist Dr Li Kui-wai said the minimum wage might have to be lowered if the city experiences a recession, forcing people out of work. The commission is expected to make its recommendations to the government on the next minimum wage level late next year.

Taiwanese firms eye HK gateway to mainland: Most Taiwanese firms plan to expand into the mainland in the near future, and would use HK as a support base, a survey has found. The written survey was jointly organised by the HK Trade Development Council and Taiwan's biggest manufacturers' group, the Taiwan Electrical and Electronic Manufacturers' Association. Almost all of the companies surveyed said they would need support services such as economic information on China, protection of intellectual property, legal and mediation services, and marketing. And the study found that more than 70 per cent of the companies were interested in using more of these services in HK. The respondents said the city was important to their business expansion because of its free flow of capital, effective financial system, and transparent legal system.

Domestic politics

Tang to stand for chief executive: Former chief secretary Henry Tang formally announced that he would be a candidate in next year's chief executive election. Tang said he was the right person for the chief executive job because he could "galvanise the power and the force of the people to work towards the same goal". He said that

HK had faced many challenges in the past and would no doubt have to face others in the future, and that it was therefore essential that the city have a leader who could galvanise the support of the people.

Leung joins race with promise of change: Leung Chun-ying formally kicked off his campaign to be chief executive, saying HK needed to change - but not too drastically. A day after former chief secretary Henry Tang entered the race, Leung delivered his declaration speech at a rally. He said the city needed to seek change while preserving stability. "We do not need changes that come with a bang," Leung said. "Instead, we need to prudently and diligently carry out appropriate adjustments to our policies ... so that our entire society will benefit."

Rita Fan rules out bid for top job: Rita Fan will not seek to become the next chief executive. After six months of hesitation, the former Legco president finally announced she would not contest for the top job. The Beijing loyalist cited her age as the reason. A member of the Standing Committee of the National People's Congress, Fan repeatedly denied the central government had put pressure on her not to join the race.

Regina Ip still to decide on campaign for top job: Regina Ip kept Hongkongers guessing about whether she would join the race for chief executive, despite strong support from her party the New People's Party. Ip said she still needed more time to consider the matter, even though most of the 94 members attending a special meeting vowed their support.

Landslide victory for pro-Beijing camp: The pro-Beijing camp scored a landslide victory in district council elections – with the Democratic Alliance for the Betterment of HK (DAB) and Federation of Trade Unions winning 146 of the 412 seats. In contrast, the pan-democratic camp suffered an even worse defeat than it had experienced in 2007. The Democratic Party won only 47 seats, while the Civic Party won seven. Of the 2.9 million eligible voters, 41.4 per cent cast their ballots.

Vote-rig claims trigger action: The government will scrutinise electoral registration records for the first time following widespread allegations of vote-rigging in the recent district council polls. It also says that any substantiated cases of multiple voters being registered under the same address will be referred to the police and the Independent Commission Against Corruption for further investigation. The moves could lead to the revamping of the registration system to include options such as random checks to authenticate voters' identity, says Secretary for Constitutional and Mainland Affairs Raymond Tam.

Pan-democrats consider kicking out the radicals: Moderate pan-democrats will discuss cutting links with radicals in the camp in a bid to regain lost ground ahead of next year's Legislative Council election. The talks come in the wake of the heavy defeats suffered by the Democratic Party and Civic Party in the district council elections. Moderates said voters were tired of infighting in the camp and critical of the culture of violence that radicals had brought into politics. Radical pan-democrat lawmaker Wong Yuk-man, of People Power, said it was ridiculous to discuss such a move, as the radicals had already parted from the moderates after the Democratic Party backed the government's electoral reforms last year.

'Powerful' Kuk may use votes to bargain: The 28 votes the Heung Yee Kuk holds in the chief executive poll put it in a "powerful" position to defy the government's crackdown on illegal structures on New Territories houses, analysts say. They spoke as Chief Executive Donald Tsang and Secretary for Development Carrie Lam hit back at a rowdy protest by villagers against the crackdown and insisted the government would not give in. Political scientist Ivan Choy believes the kuk, which represents the interests of indigenous residents of the New Territories, will use its votes to pressure chief executive candidates Henry Tang and Leung Chun-ying to make concessions.

Transborder affairs

Funds flow for delayed inter-city bridge link: The controversial bridge project to link HK with Zhuhai and Macau was given the green light as lawmakers approved HK\$48.53 billion in funding. Secretary for Transport and Housing Eva Cheng pledged that construction would start by the end of the year. Despite delays caused by a judicial review, the authorities aim to have the bridge finished by 2016, the date originally planned. The government said the delay might have pushed up costs by HK\$6.5 billion. Cheng said that she expected the project to create about 14,000 jobs.

Legal affairs and human rights

Split decision in right of abode case: A win and a loss was the tally for a Filipino couple - both of whom have been in HK more than 20 years - when judgment was handed down in the second of three major right of abode cases for domestic helpers. Daniel Domingo won his review of the government's rejection of his application for permanent residence but his wife Irene's case was rejected as she had previously breached her conditions of stay. University of HK legal scholar Eric Cheung agreed with that decision, saying fundamental rights are too important to, in cutting a deal, be taken away.

Maid loses residency battle: A Filipino maid and her son's bid for permanent residency failed in the last of three major court cases involving domestic helpers seeking permanent residence. The Court of First Instance judge ruled they had failed to take the specific steps needed to make HK their permanent home. Even though this ruling

may appear to shut the door on helpers seeking right of abode after a landmark judgment in the first case two months ago, and a win and a loss in the second case, the judge had said it was unlikely to have a wider effect because each claim was "fact-sensitive" and needed to be determined "case by case".

Health

Overseas medics no solution, doctors say: The Hospital Authority's plan to recruit overseas doctors would not solve manpower shortages and long waiting queues at public hospitals, the legislator for the medical sector functional constituency said. Dr Leung Ka-lau suggested the problem actually stemmed from poor management by the authority. Figures showed public hospitals registered a net growth in the number of doctors recruited over the past few years, he said, but the authority did not allocate manpower resources efficiently, leading to some long waits. Under the authority's plan, overseas recruits would be exempted from passing a licensing examination all local doctors are required to sit. This exemption could jeopardize the quality of medical services, local doctors say. The authority says the plan aims to solve acute shortages in emergency and internal medicine services. Overseas recruits would be restricted from private practice, it says.

Environment

Greens put HK air 'shame' on the map: The level of fine particles - specks of pollutants that can penetrate the lungs - in HK's air is among the worst in more than 500 cities and at least 20 times that of the cleanest metropolis. Only seven cities of 565 surveyed by the World Health Organisation have a higher level than that found in Central, which also has the greatest concentration of larger particles among more than 1,000 cities. The rankings, released by the WHO in September, did not include HK because fine particles with a diameter less than 2.5 microns are not listed as a statutory air pollutant in the city. But Friends of the Earth obtained data from the Environmental Protection Department showing the levels at the junction of Chater Road and Des Voeux Road Central was at least 20 times higher than the top ranking city.

Landfills aren't all bad, says minister: Reclamation in HK outside Victoria Harbour would be a "green" way to ease a space shortage for disposal of construction fill and should not be demonised, the development minister says. But green groups say the ocean should not be treated as a rubbish bin and the government should encourage recycling of the fill instead of dumping it. Launching a public consultation on ways to increase land supply, development minister Carrie Lam said reclamation in waters other than the much-shrunken harbour was not only a way to create more land, but also would help solve the mounting fill problem.

Same bag levy for all, says government: All retailers should be subject to the same plastic bag levy in the interest of fairness and to avoid potential legal challenges, environment officials told lawmakers. The Environmental Protection Department has proposed that the 50 HK cent plastic bag levy, which currently only big store chains must charge their customers, be extended to cover all 60,000 retailers in the city. It also proposes that all retailers be allowed to keep the proceeds of the levy to minimise administrative costs, especially for small outlets.

Culture and education

Chinese University nears deal on Shenzhen campus: Chinese University is nearing agreement on plans to build a campus in Shenzhen's Longgang district early next year to tap into the burgeoning Pearl River Delta. Business faculty dean, Professor Wong Tak-jun, said the university expected to seal a final deal with the Shenzhen municipal government later this year or early next year. Construction would begin soon after the deal was signed and students would be accepted two years later. The campus would have three faculties - business, engineering and science - and should have 10,000 students by 2020. The business school would be the first to be set up across the border by a HK institution.

Macau

Macau city of bad dreams for many: Macau's casino boom may have brought more restaurants, malls, supermarkets and economic opportunities, but residents of the world's richest gaming destination are less than happy with the quality of life in the city and what their government is doing to improve it, according to a survey. "Macau is a victim of its own success," said Richard Whitfield, a USJ professor who oversaw the "2011 Macau Quality of Life Report". "It's a lot more crowded, housing prices are high, there are problems with the infrastructure, and Macau, like HK, is very dependent on imports from [the mainland]. But it's pegged to the HK dollar," so the cost of living has gone up.

351.0 - HWR/LEE/KZF/CHW/KSW/NHA

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.