

Economy + Finance

Beijing backing for HK as yuan trading centre: Beijing supports HK's drive to develop into an offshore yuan trading centre, Premier Wen Jiabao reiterated. Wen's pledge marks the first time the central government has included its backing for the development of offshore yuan business in HK in its work report, although it also made that promise in March last year through the five-year plan to 2015. Wen also said Beijing would grant HK companies wider access to the mainland's service industries. He said it would facilitate cross-border infrastructure projects such as the bridge linking HK with Zhuhai and Macau.

HK a 'pivotal stop for vessels in Asia': HK, a budding cruise hub, is expected to become pivotal in multi-stop Asian travel because of its strategic position, tourism veterans say. Having a cruise terminal that can start accommodating the world's largest vessels by next year can also reinforce the city's regional standing. While cruise travel is still at its early stages in the city, plans seem headed in the right direction, with the government's announcement that the Kai Tak cruise terminal would be operated by the Worldwide Cruise Terminals Consortium - marking an end to a four-year tenancy battle. Two rounds of tender in 2008 had failed to name an operator.

HK workforce ranked 'best in Asia': HK's workforce is the most productive in Asia, a report says, helping the city rank as the fourth most competitive in the world. But poor environmental protection cost HK the top spot in Asia as it was pipped by Singapore, which ranked third in the world. New York topped the list ahead of London. The report, compiled by the Economist Intelligence Unit (EIU) for Citigroup, ranked 120 cities in terms of their economic strength, financial maturity and global appeal. While HK ranks level with Singapore in many areas, it lags far behind on environmental and natural hazards, falling outside the global top 50, behind even Guangzhou.

Travellers may have to pay for third runway: The construction of a HK\$136 billion third runway at Chek Lap Kok is poised to hit the pockets of travellers, as the Airport Authority says it will not rule out a levy on airport users to finance the project. That prospect was raised by the Executive Council's in-principle endorsement of the government's plan to build a third runway, amid fierce opposition from green groups. The airport authority said a surcharge was among the various financing options under consideration, including direct capital injection by the government and bond issues. The government hopes to make its final decision in 2015 and construction is expected to take eight years.

Chief Executive Election

C.Y. Leung seeks unity after divisive poll: Chief executive-elect Leung Chun-ying called for unity and promised to defend HK's core values after winning a narrow victory in the most controversial leadership contest since 1997. Among the most pressing challenges now facing Leung are appointing his cabinet, mending fences with the big business figures who backed Tang, and building a working relationship with civil servants rattled by some of the controversies that emerged during the campaign. Leung also listed the five top priorities for his administration: tackling the uneven distribution of income, inflation, housing, medical services and education. He said his campaign had reaffirmed the core values of HK, which he identified as the rule of law, human rights, clean government, and freedom of the press, speech and assembly. Leung said these were the essential components of the principle of "one country, two systems". Yet despite winning in the first round with 57.7 per cent of the votes available - and 61 per cent of those actually cast - his victory was unconvincing, and the narrowest since the first chief executive.

Leung looks to current team for his top aides: chief executive-elect, Leung Chun-ying said he would look to the current team of political appointees for his top aides and did not rule out reviving consultation on the controversial national security law. Listing popularity, ability and vision as the prime factors behind selecting his cabinet, he said he would mine the talent in the current cabinet, especially for the post of chief secretary. Leung also said he would strive for the "biggest consensus" on legislating to implement Article 23 of the Basic Law. Legislation to implement Article 23 - which requires HK to enact laws outlawing acts of treason, secession, sedition or subversion against the central government - triggered widespread public opposition and was a major cause of the 500,000-strong protest march on July 1, 2003.

We're in same boat, C.Y. tells bureaucrats: Chief executive-elect Leung Chun-ying sought to gain the confidence of the city's 160,000 civil servants by promising to forge a new partnership with them and to guarantee their political neutrality. Leung held meetings with representatives of eight civil servants' unions and an administrative officers' association. Amid doubts that he can work with civil servants, Leung emphasised "the importance attached to their work" and expressed the hope of working closely with them. "We are in the same boat - to provide the best services. I'll need collaboration from civil servants at large," he said. The former Executive Council convenor has no experience in the city's administration and is perceived as lacking support in

the civil service. It is understood that Beijing sees the support of civil servants as crucial to maintaining stable governance.

I won't be a yes man, says Leung: Leung Chun-ying vowed not to be a "yes man" and to deal with Beijing officials in accordance with HK's interests, despite growing fears that the central government's liaison office is extending its hand into the city's political affairs. The chief executive-elect was speaking about his controversial 90-minute visit on March 26 to the liaison office, which prompted talk that Beijing may be intervening. Chinese University political scientist Ivan Choy said the increasingly salient role of the liaison office was worrying, and noted Tsang's administration had grown more reliant on the office to lobby for support on controversial policies. "A careful person like Leung would have calculated the media and public repercussions arising from his high-profile visit to the liaison office - he is doing a favour to the office," Choy said. He argued that the liaison office was turning into a "second governing team", responsible for political work "outsourced" by the HK administration.

Poll fight 'no excuse for rules breach': A raft of former officials attacked Henry Tang for revealing details of confidential discussions in the Executive Council. "Even though you are running for the post of chief executive, the rule of confidentiality should not be violated. Otherwise, no one would be willing to join Exco or give opinions at Exco meetings," said former secretary for justice Elsie Leung. An unrepentant Tang hit back, saying public interest should override the principle of confidentiality. During the crossfire section in the election debate, the former chief secretary attacked Leung's integrity by claiming he had spoken of using riot police and tear gas against protesters opposed to the introduction of national security legislation in a "high-level meeting" in 2003. He also said Leung had proposed shortening Commercial Radio's licence renewal term in an attempt to suppress free speech.

Tang ramps up the accusations: Amid mounting criticism over his breach of government confidentiality, Henry Tang admitted his inflammatory accusation that Leung Chun-ying wanted to use riot police and tear gas against demonstrators stemmed from an Executive Council meeting after the protests in July 2003 that drew 500,000 people to the streets. Tang was speaking after the second televised debate between the chief executive candidates, in which he escalated the war with Leung by saying he was taking the matter to the city's anti-corruption commission and possibly to the courts.

Domestic politics

ICAC arrests tycoon brothers: The ICAC made the biggest arrests in its history when it detained two of HK's richest tycoons and the former top government official who masterminded Donald Tsang's successful bid to become chief executive. The arrests were made as part of an unprecedented investigation into allegations of bribery and misconduct in public office. Former chief secretary Rafael Hui was arrested at his home. Tycoon brothers Thomas Kwok and Raymond Kwok - who control HK's biggest property developer Sun Hung Kai - were detained later in operations across the city carried out by the Independent Commission Against Corruption. James Sung, a political observer at City University, said the investigation was a severe blow to the government's reputation.

Sorry's not enough for Chief Executive critics: Chief Executive Donald Tsang apologized for the loss of public confidence in his government as a result of his alleged cosy dealings with business tycoons. Speaking during an unprecedented session of the Legislative Council, he also announced he would not take up tenancy of the 6,500 sq ft Shenzhen penthouse into which he was planning to move after his retirement from public office, in an attempt to clear doubts about his integrity. Tsang said his friendship with the tycoons - whose identities he refused to confirm on the grounds of privacy - had never affected his decisions in policymaking. He acknowledged, however, that the affair had shaken the public's confidence in his government and called for "understanding". Recently he appointed a five-member independent panel headed by the former chief justice Andrew Li to review the government's code of conduct for top officials, and he also promised to co-operate with an investigation by the Independent Commission Against Corruption. However, Tsang's apology and assurances failed to convince his critics, particularly some representatives of civil servants and pan-democratic lawmakers.

'I won't quit or take leave': Chief Executive Donald Tsang has insisted he will neither resign nor take leave during a corruption probe, and retains the right to appoint the city's next anti-corruption head. The outgoing leader is embroiled in controversy over alleged conflicts of interest after he admitted accepting private jet travel, luxury yacht excursions and the rent of a luxury penthouse in Shenzhen from tycoon friends. "I have to serve my constitutional duties and there is much to do," Tsang said. State leaders understood and supported him wholeheartedly, he said.

Fat cats get the blame for rise of disharmony: Research showing social harmony in HK has plunged to a record low proves the city needs a "smart politician" as its next leader, the academic behind the report says. The study, published by the Chinese University's Institute of Asia-Pacific Studies, also shows that anger at big business has overtaken the wealth gap as the biggest cause of disharmony for the first time since the bi-annual study began in 2006. Anti-government feeling is also on the rise, according to the study's 1,002 respondents, having overtaken "political disputes" as the third biggest cause of ill-feeling.

Relations HK - Mainland China

Beijing salutes Leung's victory: Beijing has confidence in chief executive-elect Leung Chun-ying's leadership and hailed his election victory as "open, fair and just". Xinhua attributed the comments to an official at Beijing's liaison office in HK. It is also believed that Beijing told Election Committee members of its preference for Leung in a frank manner in private. That caused some local critics to accuse Beijing of manipulating the election. Some local analysts view Leung's victory as a subtle change in Beijing's policy of counterbalancing the dominance of tycoons. That is in line with the priority the central government leadership places on social harmony and balanced development. "Beijing probably feels that the dominance of tycoons has started pushing public discontent close to the limit and wants to make some adjustments," said Dr James Sung of City University.

Beijing signals rethink on HK delegates: HK's delegation to the nation's top advisory body should reflect the wider population and not just the business sector as the city moves towards universal suffrage, one of Beijing's top officials on HK affairs says. Chen Mingyi's comments could signal a shift in the central government's traditional "united front" policy. Under the policy, it seeks to build a broad base of support from beyond the Communist Party in the run-up to 2017, when the city is due to elect its chief executive by universal suffrage for the first time. The policy in HK has long involved wooing the business elite. Chen, deputy director of the HK, Macau, Taiwan and Overseas Chinese Affairs Committee of the CPPCC, said 90 per cent of HK's delegation of about 200 to the CPPCC is made up of business people.

Transborder Affairs

Wives of HK men may get priority: The city may yet grant the mainland wives of HK men priority over those with non-local husbands in giving birth at public hospitals, the security secretary Ambrose Lee says. The apparent softening of the official line came amid a drop of about 50 per cent last month in the number of unregistered mainland mothers-to-be being admitted to accident and emergency wards at public hospitals just before going into labour. He said York Chow, secretary for food and health, was looking into ways to distinguish between mainland mothers-to-be married to locals and those who were not, "so that policies could incline slightly towards [the former]".

Legal affairs and human rights

Court overturns maid abode ruling: HK's Court of Appeal overturned a landmark ruling that gave tens of thousands of domestic helpers the right to apply for permanent residency. A panel of three judges unanimously rejected arguments by the lawyers of Filipino maid Evangelina Banao Vallejos – who has worked in HK since 1986 – that an immigration provision barring domestic workers who have lived in the city for seven years from seeking permanent residency was unconstitutional. The court said the government must have the power to impose immigration controls to meet changing political, economic and social needs. The judgment dealt a blow to 290,000 domestic helpers in the city but eased government concerns of a possible influx of immigrants. Mark Daly, the lawyer for Vallejos, said: "It is highly likely we are going to take this to the Court of Final Appeal. There is no time for disappointment. We will fight until we see justice."

Basic Law not the way to solve mainland baby issue, says top official: Amending the Basic Law is an impractical way to try to stem the tide of mainland women giving birth in HK, according to Beijing's man concerned with the city's affairs. Wang Guangya, director of the State Council's HK and Macau Affairs Office, mentioned that it was unlikely the mini-constitution's provisions could be changed, even though the problem could not be solved under existing provisions. According to CPPCC delegate Tam Yiu-chung, Wang acknowledged the issue had had an immense impact on the mainland as well as HK. "He said the central government would have further talks with the HK government to step up administrative measures, although this will only alleviate - not solve - the problem," Tam said.

Top court should rectify birth issue: Basic Law expert: A former director of the Basic Law Committee in Beijing says the best solution to deter the influx of mainlanders giving birth in HK is to "let the top court rectify itself", but a HK legal expert believes this would undermine the rule of law. Currently babies born in HK to mainland mothers have right of abode regardless of their parents' immigration status, as settled by a 2001 Court of Final Appeal ruling. "There is no such thing as correcting a final ruling in HK because the government does not like the outcome," said Eric Cheung, an assistant professor of law at the University of HK. "The thought is very dangerous, as it threatens the decision-making power of the court." Cheung was responding to comments by influential mainland legal expert Qiao Xiaoyang, who said in Beijing an amendment of the Basic Law itself is "not the way". Cheung said such assertions reflected serious differences between the mainland and HK on the constitution.

NPC asked for second look at Law's baby rule: Thirty of the 36 local deputies to the National People's Congress signed a petition urging an interpretation of the Basic Law to address the swelling number of mainlanders giving birth in HK. The petition came after senior government officials in the city rejected the suggestion of Elsie Leung, vice-chairwoman of the Basic Law committee under the NPC's Standing Committee, that the chief executive should submit a report to the NPC, the mainland's highest state body, asking for an interpretation. At the centre of the debate is granting permanent residency to children born in HK to mainland parents, many of whom do not have a right of abode. Secretary for Justice Wong Yan-lung said reinterpreting the law was a controversial issue and the government should decide on it carefully. He said: "The NPC's right to

interpret the law is indisputable. But HK has an independent jurisdiction and final adjudication power, empowered by the Basic Law. We should not ignore these. So interpretation of the Basic Law should not be done with ease and haste."

Environment

Delta leads nation on dirty-air data: The Pearl River Delta is a step ahead in releasing up-to-the-hour information on microscopic pollutants across the region, including HK, as it seeks to clear the air on a pressing environmental threat. HK and Guangdong province published on government websites key particle readings from the country's largest network for air-quality detection, consisting of 31 stations. Helen Choy, of the Clean Air Network, welcomed the disclosure but was concerned about lax standards on fine particles being introduced no earlier than 2014 in revised air quality objectives. Choy said none of the readings at the 14 HK monitoring stations exceeded the proposed standard, at 75 micrograms on a 24-hour average. If standards were tightened to meet World Health Organisation guidelines at 25 micrograms, up to six stations would fail.

Culture and education

Universities rise in the global ranks: The academic reputation of HK's universities is on the rise, an international survey has found, but researchers say institutions must defend academic freedom if they are to improve their rankings. The latest Times Higher Education World Reputation Rankings rated the University of HK 39th in the world, up from 42nd in the first such survey last year. The University of Science and Technology was ranked between 61 and 70, up from the 90-100 band, while Chinese University entered the top 100 for the first time, in the 81-90 band.

New HKU college to be among city's most expensive: The University of HK has set up a new liberal education college to offer self-financed degree programmes that will cost local students up to HK\$92,000 a year. The privately funded Centennial College will be among the city's most expensive. But Linus Cheung, chairman of the board of governors, said its tuition fees were competitive against overseas institutions. Annual tuition fees for degree programmes at government-funded universities are about HK\$42,000.

Arts hub may cost taxpayers extra HK\$16b: Construction of the West Kowloon arts hub could cost taxpayers up to HK\$16 billion extra because of a sharp rise in project costs and lower-than-expected returns on investments to help fund it. According to the latest budget estimate for the HK\$21.6 billion project - carried out by University of HK Professor Chau Kwong-wing - an additional HK\$9.2 billion to HK\$16.4 billion would be needed to maintain the scale and quality of the planned 40-hectare cultural precinct. Michael Lynch, chief executive of the West Kowloon Cultural District Authority, which is responsible for the project, also thinks the current funding is inadequate. The authority had begun talks with the government about issuing bonds as a financing solution and reviewing the commercial feasibility of the performance venue, he said.

Press articles related to Switzerland and Swiss matters

Holiday horror as 22 kids die (The Standard, March 15th): Twenty-eight people - including 22 schoolchildren - were killed when a coach crashed in Switzerland as they returned to Belgium from a skiing holiday. Another 24 children were injured, many seriously, when the bus inexplicably swerved and hit a concrete wall while traveling through a tunnel. Most of those on the bus, from two schools in Belgium, were aged around 12 and returning from a holiday at the Val d'Anniviers ski resort. The two coach drivers were among the six adults on the bus who were killed, police said. Belgium was plunged into mourning following the news of the crash, and the Swiss parliament observed a minute's silence for the victims. "This is a tragic day for all of Belgium," said Belgian Prime Minister Elio Di Rupo who, along with Swiss President Eveline Widmer-Schlumpf, was to visit the crash site later.

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