

Economy + Finance

Shadow of collusion hangs over CY Leung's new commission: The Economic Development Commission met for the first time on March 13 and immediately sparked fears that it could foster collusion between big business and government. It emerged that commission members will not be required to hand in written statements declaring their interests - instead, they are required simply to make it clear during meetings when any conflict of interests arise. The commission, announced in Chief Executive Leung Chun-ying's policy address, will make recommendations to the government on strategy and policy to enhance economic development and to identify and support growth industries. The chief executive told a press conference that the government would not rule out investing directly in the economy if deemed necessary. "There are precedents for direct investment, such as Ocean Park, Disneyland and the MTR," he said.

HK drops 3 places in tourism rankings: The city slipped from 12th to 15th place in the World Economic Forum's tourism competitiveness rankings. HK was marked down for "environmental sustainability". Other weak areas for the city included "health and hygiene", "tourism infrastructure", and "national resources". But the city took top place for "ground transport infrastructure" and "availability of qualified labour". Among the top 20 of the WEF report, 13 were from Europe. Switzerland remained in the top spot, followed by Germany and Austria.

Rise in mortgage rates on the horizon: Homebuyers can expect mortgage rates to rise soon as measures imposed by the HK Monetary Authority have raised the cost to lenders of making such loans. HSBC and Standard Chartered, among the top five banks by their share of the mortgage market in the city, said they needed to reprice these loans because the business had become costlier. The lenders were among the eight banks ordered by the authority last month to raise the risk weighting of their mortgages to 15 per cent from 10 per cent. Banks must hold capital to cover a certain proportion of their loans, weighted by the riskiness of those assets.

Fund managers bullish about HK stocks: Many of the world's biggest asset managers plan to pour more money into HK's stock market in the next three months despite growing economic and policy uncertainties on the mainland, a survey by the *South China Morning Post* has revealed. Those who took part in the survey, conducted between February 28 and March 7, were asset managers from 10 leading international fund management companies.

HK still the world's most costly city for billionaire homes: HK remains the most expensive city in the world for billionaire trophy homes, a report by international property consultancy Savills says. "Billionaire" properties in the city average £7,200 (HK\$84,400) per square foot for an average home of 5,200 sq ft, it says. The report calculated a price index of homes for the super rich in 10 top cities around the world at the end of last year. Tokyo ranks second at £5,000 per sq ft for an average flat of 16,000 sq ft, and London third at £3,500 per sq ft for an average flat of 7,900 sq ft.

Domestic politics

Occupy Central HK supporters ready to block traffic and go to jail for democracy: Plans were revealed for political protesters to block traffic in the heart of the city in July next year, unless the government delivers an acceptable proposal for universal suffrage. But the civil disobedience plan - dubbed the Let Love and Peace Occupy Central movement - would be "absolutely non-violent", organisers said. Dr Benny Tai, an associate professor of law at the University of HK, said he was hoping that at least 10,000 people would participate. He said he was expecting them to support the movement in various ways, from performing acts of civil disobedience to risking arrest and agreeing to plead no contest at trial. Commerce sector lawmaker Jeffrey Lam, also an Executive Council member, said he feared the campaign could damage the city's reputation as an international financial centre. Fellow Exco member Starry Lee, of the Beijing-loyalist Democratic Alliance for the Betterment and Progress of HK, urged the public not to break the law and to instead debate political reforms.

Pan-democrats unite for 'genuine' universal suffrage: In a rare show of unity, the pan-democrats formed the Alliance for True Democracy to fight for "genuine" universal suffrage. But undercurrents of tension have started to emerge, as long-standing rifts threaten to undermine the group. The Alliance for True Democracy, comprising all 27 lawmakers from 12 pan-democratic groups, is the first successful attempt to unite the camp since a split over strategy in 2010. The alliance includes mainstream democrats such as the Democratic Party and the Civic Party, as well as radical factions, including People Power and the League of Social Democrats. Convenor Joseph Cheng, a political scientist at City University, said the alliance's priority would be to strive for public support in the political reform debate, and to form a consensus proposal by the end of the year. Cheng added that it would not rule out participating in the Occupy Central movement - a plan proposed by University of HK law professor Benny Tai to block the traffic in Central to pressure Beijing on universal suffrage - or negotiating with the central government in the second stage. He said the group would oppose a screening mechanism for chief executive candidates, as advocated in recent weeks by pro-Beijing heavyweights in HK.

Lawmakers slam CY's Beijing call for 'breaching confidentiality': Lawmakers are accusing Chief Executive Leung Chun-ying of breaching the Executive Council's confidentiality principle by notifying a Beijing official a day before he announced a new property tax. The Civic Party's Ronny Tong said he had written to the Legislative Council's constitutional affairs panel: "The issue raised questions about the confidentiality principle and [the] "one

country, two systems" [policy]. I hope Leung and others will come to the panel and address our doubts." His move came after Leung admitted to having informed Wang Guangya, the HK and Macau Affairs Office director, of the buyer's stamp duty against non-local flat buyers the night before it was introduced in October. In his letter to panel chairman Tam Yiu-chung, Tong asked whether Leung had similarly informed Beijing officials before launching other policies, and if so, what the criteria were for the alert mechanism. Tong's queries were also raised by pan-democratic lawmakers - including the Labour Party's Fernando Cheung and the Democratic Party's Albert Ho - at a housing and financial affairs joint panel meeting.

Popular executive councillor 'not interested' in running for top job: An executive councillor Bernard Chan who has been tipped as a possible candidate in the 2017 chief executive election says he is "not interested" in running for the top job. Bernard Chan said it was tough to form a governing team given the current political climate. Chief Executive Leung Chun-ying has vowed to seek re-election in 2017 but some observers doubt his prospects of winning by universal suffrage unless he can boost his flagging popularity. Chan, 48, is seen by some pro-establishment figures as a likely candidate to represent them in 2017 because of his good public image and communication skills.

Relations HK - Mainland China

No consultation on political reform until conditions met, Beijing official says: Consultation on electoral reform should not begin until most Hongkongers agree that those who confront the central government should not rule the city, a top Beijing official has said. The remark by Qiao Xiaoyang, chairman of the Law Committee under the National People's Congress, came amid criticism by pan-democrats of the city's government for delaying public consultation on the 2017 chief executive election. Qiao met almost 40 pro-establishment lawmakers at a closed-door seminar in Shenzhen on March 24. Qiao listed two key prerequisites for electing the chief executive by universal suffrage. "A prerequisite is that it has to be in line with the Basic Law and the relevant decision of the NPC Standing Committee," he said. "Another prerequisite is that those confronting the central government are not allowed to become the chief executive. If these two prerequisites are not met and fail to gain recognition from a majority of people in HK society, it will be inappropriate to launch the political reform consultation. Even if the consultation went ahead, it would not yield a good result." He added that HK could not blindly follow the Western political system. Democratic Party lawmaker Albert Ho criticised Qiao's ideas for "overriding" the system and the law. The academic behind the Occupy Central movement, Dr Benny Tai, said Qiao's remarks would not affect plans to protest for universal suffrage.

China vows to uphold judicial independence of HK: HK's judicial independence will not be affected, particularly on the matter of mainland mothers, a spokeswoman for the National People's Congress Spokeswoman Fu Ying told the media. In response to a HK reporter's questions about Beijing's powers over HK, Fu said: "The central government implements the 'one country, two systems' policy towards HK. It is a highly stable policy, and has been consistently executed.....We must strictly observe the Basic Law in dealing with HK affairs." In reference to HK-born children of mainland parents, Fu said: "We have indeed noticed that HK society pays a lot of attention to the issue, and they hope there can be a proper solution to it. There have been many proposals about this issue, and asking for the National People's Congress interpretation is one possible path of solution. "We should say that HK's judicial independence will not be affected, because Article 158 of the Basic Law states that HK's Court of Final Appeal has the right to ask the NPC for an interpretation of the Basic Law."

Milk powder restriction a formula for heated debate at congress: A curb on baby milk formula has prompted fiery debate among deputies and delegates in Beijing for the annual meetings of the National People's Congress and the Chinese People's Political Consultative Conference. Some mainland deputies accused Beijing of failing to improve food safety, while others said they were offended by the tough penalties put in place by HK. The restrictions also met with criticism from some HK deputies and delegates, with NPC deputy Rita Fan calling on the HK government to review the policy of restricting mainlanders to two cans of formula. The HK government introduced the two-can restriction on March 1. Fan said mainlanders were strongly opposed to HK's curbs.

Second state leader stresses HK's role in national security: A second state leader stressed the importance of HK safeguarding national security on March 7, a day after another warned the city against becoming a base for subversion and said its ruling elite had to love the nation. Politburo Standing Committee member Zhang Dejiang, who will supervise HK and Macau Affairs and head the nation's top legislature, called on HK delegates at a closed-door meeting to help deepen the implementation of the "one country, two systems" concept. Political commentator Johnny Lau believed the comments were triggered by recent events, such as some protesters in HK waving colonial flags and a plan to occupy the roads in Central to demand universal suffrage. Wang Guangya, director of the HK and Macau Affairs Office under the State Council, said "a minority of people used HK as a bridgehead of subversion".

Legal affairs and human rights

Foreign helpers' plea for permanent residency fails: The top court ruled that foreign domestic helpers did not have the right to apply for permanent residency, affirming the government's right to impose immigration controls. The landmark judgment ended the two-year right-of-abode saga that began when Evangeline Vallejos and Daniel Domingo, two Philippine domestic helpers who had worked in HK for more than 20 years, sought a judicial review of immigration law. But also in its unanimous decision, the Court of Final Appeal rejected the government's controversial request that it seek an interpretation from Beijing, ruling it "unnecessary". The request was seen by some as a backhanded attempt by the government to get Beijing to halt the flow of another group of unwanted migrants - children born locally of mainland parents - while putting the city's prized judicial independence at risk. This means the judgment has thwarted the administration's attempt to solve right-of-abode issues involving

domestic helpers and children born locally to mainlanders in one single case. The government said it would "endeavour" to resolve the remaining right-of-abode issues within the local legal system, but fell short of saying that it would not directly seek an interpretation from Beijing.

York Chow's EOC appointment questioned: A former health secretary was named head of the Equal Opportunities Commission. Critics were quick to protest about Dr York Chow's appointment, saying his long service in government made him an inappropriate choice for what should be an impartial role. Chow said he took the helm of the EOC as "the safeguard of human rights" in HK. But he shied away from saying whether he backed new legislation to outlaw discrimination based on sexual orientation. Law Yuk-kai, director of the Human Rights Monitor, said that during Chow's time as health secretary, he never demonstrated knowledge or commitment to human rights issues. He said he was concerned that the commission would come to be regarded as part of the bureaucracy and that it would become a retirees' club for former officials.

Health

New coronavirus appears deadlier than Sars, says HKU: The mysterious new coronavirus that emerged in the Middle East and has killed 11 people is potentially more deadly than Sars and also more "promiscuous" - able to infect many different species - University of HK research has found. Unlike Sars (severe acute respiratory syndrome), the new coronavirus can affect many different organs in the body and kills cells rapidly, the researchers say. Lead researcher Yuen Kwok-yung, a microbiologist, said the virus could cause a deadly pandemic if it mutated further. "It could be more virulent [than Sars]", he said. "The Sars coronavirus infects very few human cell lines. But this new virus can infect many types of human cell lines, and kill cells rapidly." Yuen said, however, that the new virus did not appear to be very infectious, as it tended to infect lower respiratory cells instead of upper respiratory ones like Sars, but this pattern might change as the virus mutated. The Health Department held a "desktop drill" to test the government's preparedness for a possible outbreak of novel coronavirus on March 27.

HK may be forgetting lessons of Sars: Ten years after the deadly Sars outbreak raised the city's consciousness of infectious diseases and hygiene, Hongkongers may be dropping their guard. This is according to a university survey that found fewer people are wearing face masks when they have a cold or flu and washing their hands regularly - two actions recommended by disease-control experts to ward off infection. The trend is especially noticeable among young people, the University of HK public opinion programme, which conducted the poll, says. In 2003, Sars infected 1,755 people in HK, killing 299. Globally there were 8,096 infections and 774 deaths.

Chickenpox threat in HK as vaccine runs out: Children may be left vulnerable to chickenpox infection as the city runs short of vaccine. One supplier blamed the shortage on a sudden increase in demand and said it had been out of stock since January. Secretary for the Food and Health Bureau Dr Ko Wing-man confirmed the vaccine shortage. "Some private doctors have found it difficult to purchase more. The government has already taken action to contact the supplier. They have given us their promise to supply more as soon as possible."

Environment

WHO will help set HK's air quality goals: World Health Organisation experts will help set HK's air quality objectives, according to a schedule to be released by the Environment Bureau. The 40-page road map for Clean Air for HK will outline the targets and timetables for improving air quality. The document, to be launched by Secretary for the Environment Wong Kam-sing, will cover at least the next seven years and is expected to be the most comprehensive air quality blueprint for Hong Kong yet. The plan will include government measures to curb emissions at local sources, from roads to marine transport and power generation. It will also highlight the need for co-operation with Guangdong in addressing regional smog caused by ground-level ozone pollution. It is understood that the bureau has been shortlisting experts to review its objectives and advise on studies through the WHO's director general Margaret Chan.

Light pollution in HK 'worst on the planet': HK is believed to be the world's worst city for light pollution, with levels in Tsim Sha Tsui 1,200 times brighter than a normal dark sky. The findings were described as shocking by survey leader Dr Jason Pun, of the Department of Physics at the University of HK. He said he could find nowhere else on earth as badly affected. Unlike major cities elsewhere - including London, Frankfurt, Sydney and Shanghai - HK has no laws to control external lighting. But Secretary for the Environment Wong Kam-sing said he hoped a government task force on light pollution could come up with proposals for more "regulatory elements" for public discussion in the middle of this year.

Culture and education

Baptist University gets council backing in Kowloon land use battle: The housing and infrastructure committee of the Kowloon City District Council has joined the Baptist University's bid to block a government plan to sell a Kowloon Tong site for private housing. The university opposes the sale because it wants to build a Chinese medicine teaching hospital on the site, which is adjacent to its campus. The university has threatened class boycotts and a judicial review if the site is rezoned.

Fears of overcrowding in border school classes: A temporary increase in places at Sheung Shui primary schools to cater for the influx of mainland children could jeopardise the government's push for smaller classes and damage teaching quality, education experts fear. Undersecretary for Education Kevin Yeung announced that class sizes at 28 schools near the border would be increased by five, while additional classes would be added to some schools to cover an expected shortage of 1,400 primary one places. The average class size would be 36. Education-sector legislator Ip Kin-yuen said schools would become overcrowded.

Press articles related to Switzerland and Swiss matters

Swiss public backs executive pay curbs in referendum (SCMP, March 4): Swiss citizens voted to impose some of the world's strictest controls on executive pay, forcing public companies to give shareholders a binding vote on compensation. The proposal would limit the mandate of board members to one year, and would ban certain kinds of compensation, including the so-called golden handshakes or golden parachutes given to executives when they leave a company. The Swiss government and the upper house of parliament have opposed the initiative, warning that some large companies might decide to move their headquarters out of the country.

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