

Economy + Finance

HK retail sales slump by widest margin since January: Retail sales in HK declined for a sixth straight month in August due to a slowdown in inbound tourism and sluggish economic conditions. The value of total retail sales in August declined 5.4 per cent year on year to HK\$37.9 billion, following a 2.8 per cent drop in July, according to the Census and Statistics Department. The government said that the tourism downturn and recent stock market gyrations might have dented consumer sentiment.

Tourist numbers edge up during 'golden week' but HK retailers fail to benefit as visitors spend less: "Golden week" holiday brought no relief to the city's battered retail sector, with tourist numbers up only marginally on last year and spending per head down. Secretary for Commerce and Economic Development Greg So said retail sales did not benefit because visitors spent less. He blamed economic uncertainty, weakening Asian currencies and a series of protests against mainlanders, which had dented tourist sentiment. Travel Industry Council chairman Michael Wu admitted the tourism industry had relied too heavily on mainlanders and the slow growth would have a ripple effect on related sectors.

Tourism watchdog probes low price tours, 'forced' shopping in wake of mainland Chinese man killed in jewellery shop: The Travel Industry Council, HK's tourism watchdog, is investigating whether excessively low fees were paid by a mainland Chinese tour group joined by a tourist who died in the city after he was beaten when he tried to mediate in a jewellery shop row. Low-cost tours targeting mainland tourists often feature visits to shopping outlets in the city, such as jewellery shops. The tourist's death prompted a rare call from the nation's tourism authority for HK to protect the rights of mainland travellers. Two men have been arrested in connection with the tourist's death. Police are looking for two other suspects in the case.

Behave yourselves, Leung tells tourism workers: Tourism-industry workers should exercise "self-discipline" in upholding the good name of HK as any new regulatory legislation will take time to come into effect, Chief Executive Leung Chun-ying said. He was speaking in the wake of the death of a mainland tourist, who was allegedly beaten by a few men on Oct. 19 while trying to mediate in a row at a jeweller's. During a Legislative Council question-and-answer session, Leung highlighted the need to keep HK's reputation in hospitality.

Number of non-local firms setting up shop in city hits new high, says Invest HK: The number of non-local companies with offices in HK has hit a record level despite uncertainty in the global economy, an annual government study has found. Some 7,904 companies had offices in the city as of June, a year-on-year increase of 4.2 per cent, the research by Invest HK and the Census and Statistics Department showed. The companies employed some 422,000 people between them, the research revealed. The survey found that companies opted for HK because of its simple, low-tax regime and the free flow of information it offered. However, factors holding the city back included a lack of places at international schools and the high cost of housing and office space.

Dim outlook: 53pc of HK's professionals pessimistic about economy in 2016, survey finds: Political squabbles and high flat prices, coupled with an expected slowdown in China's economy, have made HK's economic outlook for next year dimmer, according to a survey of the city's professionals. They also believed HK was losing out to mainland China in terms of competitiveness. The survey by international accounting body CPA Australia showed 53 per cent felt pessimistic about the city's economy in the coming year, compared with 40 per cent in the 2014 poll and 27 per cent in 2013. Only 9 per cent forecast a positive outlook for next year. The top three factors for the dim outlook were "political environment", "high property prices", and "lower economic growth in mainland China".

One in three elderly Hongkongers living in poverty despite slight overall drop in number of poor: HK faces an "uphill battle" against poverty despite the latest figures revealing a slight drop in the number of people living below the official line that defines who is poor, says the city's chief secretary Carrie Lam. More than 1.3 million - out of a population of just under 7.2 million - still live in poverty. The problem is particularly acute among the elderly, approximately one in three of whom live below the poverty line.

Domestic politics:

Legco chair monopoly: The pro-establishment camp monopolised four key posts in the Legislative Council's top committees for the first time in 17 years, as the pan-democrats criticised them for "damaging ties between the executive branch and the legislature". Since the first post-handover Legco took office in 1998, the chairmanship and vice-chairmanship of its House Committee have gone, respectively, to a pro-establishment and a pan-democratic lawmaker.

'Strictly enforce law', Beijing legislative chief tells HK's police, fire, immigration and prison chiefs during high-profile visit: The head of the national legislature has told the HK disciplined services they should "strictly enforce the law". Zhang Dejiang, chairman of the National People's Congress, delivered the message to a delegation headed by the city's five disciplined services as they met at the Great Hall of the People in Beijing. Zhang reportedly told the 120-strong delegation that they should be "staunch defenders" of "one country, two systems" and the rule of law.

HK district council elections see record number of candidates in first citywide polls since Occupy movement: A record-high 951 nominations for the city's district council elections were received by registration deadline, but about 15 per cent of the seats up for grabs will be uncontested. Half of the uncontested seats went

to pro-establishment parties, with the rest going to independents. None are held by pan-democrats. The elections, set for November 22, will be the first for the city since the Occupy movement ended last year. The political parties are regarding the polls as a reflection of public opinion in the wake of the pro-democracy protests and failed political reform.

HK people becoming more politically moderate, survey by think tank Path of Democracy finds: More Hongkongers are adopting the political middle ground, with about 40 per cent identifying themselves as moderates, according to a survey conducted by the Path of Democracy think tank. The Path of Democracy commissioned the University of HK's public opinion programme and interviewed 1,010 Hongkongers by telephone between October 12 and 17. About 60 per cent said it was necessary to promote a political culture of "mutual respect"; some 53.6 per cent of interviewees felt it was necessary to communicate with Beijing.

Relations HK - Mainland China

Beijing promises HK more help on economic development: The Communist Party has pledged to boost HK's role in China's economic development and opening up to the outside world in the document adopted at its fifth plenum. Promoting democracy, supporting economic development and facilitating social harmony in HK and Macau were highlighted as major tasks. The message came four months after HK's lawmakers voted down the Beijing-dictated model for the 2017 chief executive electoral reform.

Better understand China's development, HK chief executive urges politicians and youngsters: HK's politicians and young people need to gain a more "comprehensive understanding" of the mainland's development, Chief Executive Leung Chun-ying said. "The fate of the people of Hong Kong and China are intertwined. We have stood together through thick and thin. At different stages of national development, HK has always been able to play its part, making contributions to the country while improving the lives of local people. We should not underestimate ourselves," Leung said. Political commentators said they understood that Beijing believed the lack of a sense of national identity was partly to blame for the 79-day Occupy civil disobedience movement and the rise of anti-mainland sentiment in HK.

United Front chief Sun Chunlan tells young Hongkongers to love their country and make the most of close ties with China: The head of the Communist Party's United Front Work Department met the city's tycoons on her first trip to HK and called on young people to love their country and be responsible towards it. Sun Chunlan was the first central government official responsible for HK affairs to visit the city after the pro-democracy sit-ins last year. Sun called on Hongkongers, alongside Taiwanese and Macau people, to deepen their love for their country and seize opportunities afforded by close ties with the motherland.

International relations

'Let HK elect its own leader': Britain's David Cameron asks Xi Jinping to ensure city's political freedom: British Prime Minister David Cameron has sought assurance from President Xi Jinping, who is on a state visit to UK, that Hongkongers would be able to choose their own leader without Beijing's prior vetting, according to the Guardian. Without confirming the media report, Foreign Ministry spokeswoman Hua Chunying reiterated that Beijing would support HK in implementing universal suffrage in accordance with the Basic Law, adding that the matter was China's internal affair.

Legal affairs and human rights

Former HK leader Donald Tsang out on bail after court hears misconduct charges over luxury Shenzhen flat rental: Former chief executive Donald Tsang became HK's highest-ranking official ever to be prosecuted, making a sudden debut appearance in court to face double charges over a three-storey penthouse in Shenzhen. The charges cover his alleged failure to disclose his interests in the rental of a penthouse between 2010 and 2012 to various bodies, including the Executive Council, when he was the city's top leader. He is accused of approving a licensing bid by Digital Broadcasting Corporation - a radio station of which penthouse owner Bill Wong Chor-bau is a major shareholder - and of proposing the flat's interior designer for nomination to the city's top honours. Tsang issued a statement declaring he had "a clear conscience" and "every confidence the court will exonerate" him. Secretary for Justice Rimsky Yuen said there were no political considerations in the prosecution decision.

Let Donald Tsang be an example: 'no one is above the law' says former justice chief: Former justice minister Elsie Leung held out the prosecution of ex-leader Donald Tsang as proof that the status of chief executive is not above the law, and backed calls for a rethink of whether anti-bribery laws should fully apply to HK's top official. Chief Executive Leung Chun-ying, whose position was recently described by Beijing's top representative in the city as "transcending all three branches of government", refused to make such a commitment, but he denied any political consideration in the decision to charge Tsang. The Administration Wing said such a revision needed to be handled prudently, as it had constitutional, legal and operational implications.

HK money laundering cases soar as syndicates recruit non-locals to open bogus accounts, police reveal: The number of serious fraud cases involving money laundering in HK has soared, police revealed, as syndicates increasingly recruit non-locals to clean their dirty cash. There were nine laundering cases in the first half of this year alone, involving around HK\$456 million. Yet in the whole of last year, there were only four cases, with about HK\$245 million laundered.

Health

No civil servant bypassed rules in HK lead-in-water scandal, insists chief secretary: No civil servant has been found to have bypassed any rules or procedures in the monitoring of water quality even though the system

has flaws, Chief Secretary Carrie Lam says of the problems exposed in the lead-in-water scandal that broke three months ago. "The system did have shortages. However, it does not mean public office bearers failed to perform the duty required of them at the time that the system was in place," said Lam. An inquiry commission headed by High Court judge Andrew Chan will start hearings into the scandal on October 20.

HK's senior public hospital medics to get 3pc pay rise after rare high-profile protest: Senior doctors at public hospitals have won their fight for the same 3 per cent pay rise other senior public servants get, with the Hospital Authority bowing to pressure from the biggest protest by medical workers in eight years. The 28-strong board of the authority voted "unanimously" to grant its 2,000-odd senior public doctors the salary demand, its chairman, Professor John Leong, said. The vote came a day after 1,300 doctors staged a sit-in at Queen Elizabeth Hospital in Yau Ma Tei.

Environment

HK government launches HK\$1b recycling fund, but industry figures have doubts about its effectiveness: Applications have opened for the government's HK\$1 billion recycling fund, with the first batch of grants set to be handed out to successful applicants in March. Environment Secretary Wong Kam-sing said the fund would help increase the quantity and quality of recyclables in the market and reduce pressure on the city's overflowing landfills. A scrap plastic recycler said he would apply for the fund, but the biggest problem was not a lack of machinery but rising rents, a lack of land and a shrinking labour market. Jacky Lau, director of the Recycled Materials and Reproduction Business General Association, had earlier said that falling prices of plastic as a result of an economic slowdown and declining oil prices had caused frontline recyclers to stop collecting the material.

'The future is in low-carbon': HK businesses and investors should cash in on low-carbon development in the city's maritime and aviation industries as well as the mainland's cap and trade programme on emissions once binding climate agreements are set in Paris in December, says Vicky Pollard, a top European Union climate adviser for China. Pollard said the business sector played a major role because of the city's position as a financial and transport hub.

Culture and education

University status will transform HK Institute of Education, says ambitious president: Last month the University Grants Committee submitted to the Education Bureau its recommendation for the Institute of Education to turn into a university, provided the future title contains the word "education". Turning into a university will mean more public recognition, more donations and more high-calibre students keen to take their degrees there and enter the teaching profession. This is what drives Professor Stephen Cheung, the HK Institute of Education's president.

2,000 HKU students and staff joined silent march to protest liberal scholar's rejection from key post: The turnout was estimated at a sizeable 2,000 - and yet some junior employees of the University of HK were absent during silent march of staff members and students to defend institutional autonomy. Fears that dabbling in politics might hamper promotional prospects kept lower-ranked employees away, according to senior academics who took part. They were out to defend the university's autonomy and protest against the HKU governing council's rejection of liberal scholar Professor Johannes Chan for the post of pro-vice-chancellor, which was seen by critics as politically motivated.

About 90pc of HK secondary schools allowed pupils to join class boycotts during Occupy, study shows: Nearly 90 per cent of secondary schools received requests from pupils wanting to join class boycotts during the 79-day Occupy protests last year, but the movement did not have a long-lasting divisive effect on schools, according to a study. The boycotts were generally short, lasting less than five days. The survey also showed that close to half of teachers felt Occupy did not affect pupils' academic performance, 51 per cent felt it did not affect relations between teachers and pupils, while 63.4 per cent observed that awareness of social issues had risen among their pupils.

Macau

Suicide suspected as Macau's first female customs chief found dead in public toilet: The body of Macau's first woman customs chief was found slumped in a public toilet. Police discovered Lai Man Wa, who was appointed director-general of Macau Customs in December. The cause of death had not been confirmed but initial investigations suggested she had committed suicide. Her death shocked the city and prompted Chief Executive Fernando Chui to call a media briefing to express his condolences and to state that Lai had not been the subject of a probe by anti-corruption investigators in the gambling enclave. Her death comes two weeks after a member of staff from the city's Commission Against Corruption killed himself by jumping from the Dynasty Plaza building.

Head of Macau gambling regulator Manuel Joaquim das Neves resigns amid turbulent times for gaming industry: Manuel Joaquim das Neves, Macau's top casino regulator, will retire next month. His retirement comes as Macau suffers the impact of Beijing's anti-corruption drive, and faces new regulatory challenges after 16 consecutive months of declining gaming revenues. Neves denied his decision was motivated by a difficult relationship with his boss, finance secretary Lionel Leong. Despite the current challenges that the city is facing, Neves remains optimistic.

Macau Unesco heritage site under threat as US probes alleged bribery links to estate tycoon: A former president of the United Nations General Assembly, a billionaire Macau real estate developer and four other people have been charged in connection with what US authorities have described as a wide-ranging corruption scheme. John Ashe, a former U.N. ambassador from Antigua and Barbuda who was general assembly president from 2013 to 2014, has been accused in a complaint filed in federal court in New York of taking more than US\$1.3

million in bribes from Chinese businessmen, including Macau real estate tycoon, Ng Lap Seng. The latest charges come as sources in Macau say the probe includes allegations of bribery linked to development projects on or near to Unesco heritage sites.

Press articles related to Switzerland and Swiss matters

Swiss anti-immigration political party won election, thanks to refugee crisis (Translation of Hong Kong Economic Journal, Oct. 20): The Swiss People's Party, which is known for its anti-immigration stance, won the election in the Parliament. It even broke a record by winning the number of seats in the Parliament. It reflected that Swiss people were worried about the refugee issue which would extend to their country. This election result may strain the relation between Switzerland and the EU. The Swiss People's Party won 65 seats out of 200, the biggest victory since 1963. Pascal Sciarini, the University of Geneva, pointed out that thanks to the refugee crisis, the Swiss People's Party won the election with ease. The Swiss politics has inclined towards the right. The gains of the Swiss People's Party would probably make the Swiss government to adopt a hard line with the EU. According to Patrick Emmenegger, the University of St. Gallen, this election result is anticipated to strain the relation between Switzerland and the EU.

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