

Economy + Finance

Future remains weak for HK growth: HK's economic health looks set to remain weak, with the government expecting growth of 2.4 per cent for this year amid lacklustre exports and dwindling tourist arrivals. Third-quarter growth tapered off to 2.3 per cent year on year after expanding 2.8 per cent in the previous quarter - the lowest quarterly pace of growth for five quarters. The government warned of an adverse impact on unemployment as the tourism downturn hurts retail sales. The government still expected the local economy to attain growth of 2.4 per cent for the year as a whole, despite a gloomy outlook for exports and the tourism sector in this quarter.

China's services market opens up further to HK professionals as finance officials sign expanded Ceps pact: Professionals from HK look poised to enjoy greater access to the mainland's growing services market as officials from both sides signed an agreement on Nov. 27 that aimed to tear down more barriers to cross-border trade in services. The pact, touching on sectors such as legal services, accounting, construction, insurance, securities, banking, telecoms and culture, is the latest supplement of the Closer Economic Partnership Arrangement (Ceps) introduced in 2003. It applies to the entire mainland and adds 28 "liberalisation measures". It also awards Hong Kong a "most-favoured treatment" provision.

Beijing pledges support for HK in 'One Belt, One Road' regional economic development strategy: Beijing has pledged support for HK to take part in the nation's "One Belt, One Road" development strategy and to play a bigger role in China's opening up to the world, according to its 13th five-year-plan. The city is also asked to speed up cooperation with free-trade pilot zones in Guangdong - Qianhai in Shenzhen, Hengqin in Zhuhai, and Nansha in Guangzhou - and pursue deeper cooperation and exchanges with the mainland. The document also stresses implementing in a comprehensive and accurate manner the principles of "one country, two systems", "HK people administering HK", and "a high degree of autonomy".

Senior Chinese official's doubts over whether HK can play 'super connector' role with world: Ou Xiaoli, counsel for the National Development and Reform Commission's Department of Western Region Development, said he was "sceptical" about HK's ambition to form the bridge between the mainland and the rest of the world, because many countries along the "One Belt, One Road" corridors did not do business in the Western style that the city was accustomed to. He suggested HK should join forces with provinces such as Guangdong to delve into new markets and set up industrial parks with a focus on creative and innovative industries. PricewaterhouseCoopers senior partner Frank Lyn said instead of positioning itself as a super connector, HK could first serve as a financial platform to provide services such as financing, company registry and foreign exchange for firms.

HK's Exchange Fund swings to biggest quarterly loss in history: The Exchange Fund swung to a surprise loss of HK\$63.8 billion in the third quarter, its biggest quarterly loss in history, HK Monetary Authority chief executive Norman Chan said. The flood of red ink coincided with a stock market rout that hammered HK and mainland markets after they hit a seven-year peak in the second quarter. For the first nine months of the year, the fund, which is used to defend the HK dollar and act as a piggy bank for budget surpluses, posted a net loss of HK\$36.8 billion.

New HK tech bureau chief aims to 'create quality and diverse job opportunities': The newly appointed innovation and technology minister Nicholas Yang says HK will undergo "re-industrialisation" with land to be used for "smart production" to create job opportunities for Hongkongers. The other focus areas of the bureau were to include collaboration with top research organisations worldwide, setting up private funds and angel funds to encourage new businesses, the development of HK as a 'smart city' technologically, and solving social problems especially for the lives of the elderly and disabled.

Domestic politics

District Council Elections

a) HK political gulf not closing any time soon: The final tally of district council election results following a historic voter turnout on Nov. 22 reveals deeply entrenched political positions dividing the city despite the passing of nearly a year since the conclusion of the Occupy democracy movement, with no end in sight to the stalemate. But young candidates turned in an impressive performance - including some "umbrella soldiers" who were inspired by Occupy to contest district seats and won - signalling a desire among the electorate for change or, as one analyst put it, to see fresh faces take centre stage. Professor Ray Yep of City University's public policy department, said both pan-democrats and Beijing loyalists managed to hold on to their turfs, but made no significant headway. It remains to be seen if the "umbrella soldiers" can build on their strong debuts and take the plunge in the Legislative Council election next year.

b) 'Umbrella soldiers' and NeoDemocrats big winners in district elections: Nearly one in four votes cast in favour of pro-democracy groups in the district council polls went to two unconventional segments: the dozens of Occupy-inspired fresh faces as well as the rising NeoDemocrats party. But the new faces collectively known as the "umbrella soldiers" - an insignificant brand in local politics until the polls in which they won 15 per cent of all pro-democracy votes - are not expecting a linear path to growth. It will be an arduous trek to the Legislative Council in next year's polls, with some sceptical of their ability to build on momentum. The NeoDemocrats are a localist group which broke away from the Democratic Party. It won 15 out of 16 district seats contested. The worst

nightmare befell the pro-democracy radical groups of People Power and the League of Social Democrats, which saw their vote share shrink by almost 60 per cent combined, a clear sign of where voters' threshold for radicalism lay.

c) Come join our work, chief executive Leung Chun-ying tells HK's young district council candidates: HK's new young band of democratically elected politicians has been invited by Chief Executive Leung Chun-ying to join the advisory bodies which help shape government policies. The move follows the district council elections that saw dozens of young candidates - from both sides of what has become a bitter political divide - unseat veterans of the pan-democratic and pro-establishment camps. Chinese University political scientist Ma Ngok said: "The district council poll showed that the people are very unhappy about the status quo and the lack of change in the political landscape ... but based on CY's way of appointment in the past, I am not sure whether he will give a fair chance to people with different political backgrounds." The government's network of 185 advisory bodies has been criticised for being "cumbersome".

Chinese president 'full of praise' for CY Leung's post-reform strategy for HK: President Xi Jinping has commended the work of Chief Executive Leung Chun-ying and his government - according to Leung himself. Xi was also "fully affirming" of Leung's strategy to focus on economic development and livelihood issues after the government's political reform plan could not get past the Legislative Council. The president's comments were revealed by Leung after the two met on the sidelines of the Asia-Pacific Economic Cooperation (Apec) summit in Manila. Leung said, Xi urged HK to seize opportunities arising from the country's 13th five-year plan and its "One Belt, One Road" initiative, and to work with the mainland to plan its development in the next five to 10 years.

You're playing politics, HK chief secretary tells pan-democrats as their anti-bribery motion is defeated in Legco: The Legislative Council voted down a motion calling to amend the anti-bribery law to make it a criminal offence for the chief executive to solicit or accept any advantage without the permission of a statutory independent committee. Shortly before the vote, Chief Secretary Carrie Lam suggested that the amendment could not be done because it involved constitutional issues and might "not fit the chief executive's constitutional role" for him to be required to seek permission before accepting an advantage.

HK chief secretary unveils 10-point campaign to unite city riven by failed political reform: In a bid to unite a divided society, the HK government is planning to launch a new citywide campaign next month to engage the public - its first since the 79-day Occupy protests last year. The "Appreciate HK" campaign, backed by the government, the business community and various other sectors, would introduce 10 key items, including inviting low-income families to amusement parks and having public museums open for free in January.

Relations HK - Mainland China

Legco rejects anti-mainlandization motion: The home affairs minister has warned against "seeing different cultures with a narrow perspective", as lawmakers voted down a motion calling for the government to defend HK's way of life from "the mainland's influence". The motion on "Safeguard HK from Mainlandization" was tabled by Civic Party lawmaker Claudia Mo. As the motion was tabled, the Beijing-loyalist camp countered that the pan-democrats were merely rejecting the central government's sovereignty over HK. The motion was voted down, with 19 in favour and 34 opposing it.

Report shows 879,000 HK residents now from mainland China: A new report to the HK legislature revealed that about 879,000 immigrants from the mainland have settled in the city since the 1997 handover, comprising 12 per cent of the city's population of 7.3 million. Those who stayed in HK for seven years through the one-way permit scheme were then eligible to apply for permanent residency and able to utilise the city's social welfare system.

International relations

US congressional report calls for bilateral probe into how China is upholding HK Basic Law: A joint US-UK investigation into China's adherence to the Basic Law regarding HK since the city's handover in 1997 was urged by a commission on US-China affairs in a report to the US Congress. The annual report compiled by the US-China Economic and Security Review Commission highlighted HK's political turmoil over universal suffrage, press freedom and academic freedom. In response to the report's recommendations, HK's Constitutional and Mainland Affairs Bureau said in a statement: "Foreign governments and legislatures should not interfere in any form in the internal affairs of HK."

Legal affairs and human rights

Legal experts query scope of media gagging order by University of HK in row over audio leaks of meetings: The scope of the gagging order sought by the University of HK to ban media publication of confidential information about its council meetings remained unclear, legal experts said, as the institution finally released details of the injunction amid an outcry over its impact on press freedom. In response to a petition, HKU said it was "not seeking to challenge the media" but aiming to prevent further leaks. The HK Journalists Association, the Press Photographers Association, the RTHK Programme Staff Union, Next Media Trade Union, Ming Pao Staff Association, the Independent Commentators Association and Journalism Educators for Press Freedom handed a petition letter to HKU. They said the injunction obtained by HKU dealt a severe blow to press freedom and deprived the public of the right to know about an important decision taken by its council.

Gay pride in HK: More people than ever before turned out for HK's gay pride march, just days after city's top Catholic cleric criticised same-sex marriage and in effect urged Christians not to vote for candidates who back gay rights in this month's key District Council elections. Organisers said 9,500 people - among them 10 top

diplomats from the United States, Britain and France and other countries - took part in HK's seventh annual Pride Parade, during which former health chief York Chow - who now heads the Equal Opportunities Commission - criticised "politics getting involved in church beliefs". During the rally, the government was urged to take immediate action to enact laws to protect sexual minorities against discrimination.

Two arrested in HK over HK\$1.8 billion money laundering gang linked to phone scams: Police arrested two Hongkongers in a crackdown on a HK\$1.8 billion money laundering gang with a suspected connection to a regional phone scam ring. The operation came after an unprecedented joint operation involving police from the mainland, Taiwan and the city last month when two overseas-based syndicates operating phone scams were busted, with 431 mainlanders or Taiwanese arrested. The operation was coordinated by the mainland's Ministry of Public Security and involved officers working with their counterparts in the region.

Health

Government unaware material used to solder pipes posed health risk, inquiry hears: The construction industry and government were unaware of the health risks posed by lead in material used to solder pipes before the outbreak of the tainted water scandal, the housing chief Anthony Cheung told the judge-led panel investigating the affair. The hearings are slated to continue into January. The commission will ascertain the causes of excess lead found in drinking water in public rental housing schemes and make recommendations to ensure the safety of drinking water.

Task force wraps up 4-month investigation into water scare at estates, confirming lead in pipe joints to blame: A final investigation report has confirmed that lead in solder material in pipe joints was the cause of excessive lead found in drinking water in two public housing estates. It said the test results could be applicable to nine other housing projects with excessive lead in water as they were using similar pipes and fittings. The committee suggested frequent site inspection and a testing system for plumbing work to avoid the use of leaded solder material and non-conforming pipe fittings.

Foreign doctor finds HK medical system can be too tough: The local licensing exam for doctors has long been criticised as being unfriendly to overseas talent with a very low passing rate, but even those doctors who finally pass the exam find the system and working conditions too harsh to make a job in the city a long-term prospect. The licensing exam tests candidates' levels in professional knowledge, medical English and handling of clinical problems. Upon passing all three parts of the exam, doctors must undertake a one-year internship in public hospitals. They are expected to get familiarised with local medical systems and commonly seen diseases during the training.

Environment

Cities must lead way to climate solutions, HK environment minister says: Cities have created most of the world's climate problems by generating about 60 per cent of the global emissions and thus must take the lead in finding solutions, HK's environment minister says. A team of officials led by Wong Kam-sing, the secretary for environment, will attend a climate forum for cities and municipalities before joining national-level officials at the Conference of the Parties (COP21) meeting in Paris next month. He said the objective at the C40 Cities Climate Leadership Group forum, which will also be held in Paris, was to engage in city-level dialogue with counterparts to explore mitigation, adaption and resilience measures on the climate front.

Electric cars on the rise in HK but building management are failing to plug a home-charging gap: HK has one of the lowest electric vehicle (EV) to charger ratios in the world, but public charging facilities alone is still not enough to keep up with the rising popularity of electric transportation in the city, according to owners. Mark Webb-Johnson, chairman of Charged HK, a local organisation aimed at promoting EVs, explains that building management companies are cautious because they have concerns about electricity capacity, insurance, and having to lay down electricity cables over common areas.

Culture and education

HK's international schools cheaper than Singapore's, report finds: HK's international school fees are ranked "most affordable" compared to five countries on the list – Singapore, United Kingdom, Malaysia, Indonesia and Thailand – according to a report released by the expatriate taxes and financial planning company the Fry Group. HK was slightly cheaper than Singapore. The affordability comparison was based on "a basket of earnings data", comprising "employees in major cities" and was considered "more representative of what an average expat would be earning" for the international comparison.

HK educational authorities seek answers from college accused of fast-tracking studies: Education chiefs have not ruled out calling in the police over allegations that a private school helped fast-track a Lingnan University associate vice-president's doctorate degree. Lifelong College has been accused of fast-tracking the award of a PhD degree from the Philippines' Tarlac State University to Herdip Singh of Lingnan University, who is also accused of plagiarising his degree thesis.

President of HK's Lingnan University warns outspoken colleague to watch his words or 'bear the consequences': The president of Lingnan University, Professor Leonard Cheng, has warned a fellow-academic to be careful in his words and actions – or bear the consequences. In a letter sent in March to Dr Horace Chin, an assistant professor in the university's Chinese department, Cheng said he had received complaints from alumni and members of the public about Chin's recent speeches. Chin published a book suggesting HK should become a city-state, which is credited with inspiring the autonomy movement. The book is also widely seen as laying the foundations of the localist movement.

HKU alumni vote again on HK University council chairman: "Anyone but Arthur Li Kwok-cheung" was the refrain of many University of HK alumni as thousands returned to campus on Nov. 29 to vote overwhelmingly against the Beijing loyalist's possible chairmanship of the institution's top governing body. It was the second extraordinary general meeting held by the HKU Convocation - a statutory body comprising 162,000 graduates and staff - in three months to vote on motions surrounding the delayed and now-denied appointment of liberal scholar Professor Johannes Chan as a pro-vice-chancellor.

Macau

Macau leader tells public collapse in gaming revenue will not hit livelihoods: Macau Chief Executive Dr Fernando Chui has cushioned a stark warning that the city's gaming woes are far from over with a guarantee the livelihood of its people will not be affected. The cash-sharing scheme will continue. Total casino revenue last year declined to 351.5 billion patacas from 360.7 billion patacas in 2013. In October this year, revenue fell to 20.06 billion patacas from 28.03 billion patacas a year prior, marking the 17th successive monthly drop.

Varia

HK issues travel alert for France, warns against 'non-essential' trips to Paris: HK hoisted an amber travel alert for France, urging HK residents to avoid non-essential travel to Paris and the Ile de France area. The alert, the lowest of three risk warnings, is the first to be issued to a major western country for at least seven years. Chief Executive Leung Chun-ying condemned the terrorist attacks in Paris and expressed his deepest sympathies on the loss of lives and injuries and extended his condolences to the families of the victims.

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