

### Economy + Finance

**Beijing asks for report on ways to boost HK tourism industry, promises help with implementation:** Beijing has asked for a report on ways to boost HK's tourism industry "as soon as possible", and has promised to work with authorities to implement them, HK Tourism Board chairman Peter Lam said. The HK tourism industry is suffering its worst downturn since Sars hit the city. The number of visitors to the city declined 2.5 per cent last year compared with 2014, the first drop since 2004, with tourists from the mainland down 3 per cent.

**HK government presses for more mainland Chinese cities to join tourism scheme, says former chief secretary:** HK has asked Beijing to allow more mainland cities to join a scheme that allows its residents to travel here without joining tour groups, according to former No 2 official Henry Tang. It would be a marked change of stance from last year when Chief Executive Leung Chun-ying said the scheme should not be expanded amid rising anti-mainland sentiment. The idea was welcomed by the tourism and retail sector, but considered "short-sighted" by scholars and analysts, as they warned that a further influx of visitors would trigger social conflict again.

**HK and Macau to be integrated with nine mainland provinces:** The State Council has proposed a "9+2" strategy that will create an enlarged Greater Pearl River Delta zone with coverage of HK, Macau and nine southern mainland provinces in a vision that will deepen economic, social, technological and infrastructure integration, according to a guidance document it released. On top of HK and Macau, the nine provinces that will make up the mainland side of the "9+2" spanning from the coastal east to the inland west include Fujian, Jiangxi, Hunan, Guangdong, Guangxi, Hainan, Sichuan, Guizhou and Yunnan. Collectively, the region covers a third of the population and one-third in economic output in China.

**HK signs agreement on 92 areas of cooperation with Guangdong as it embraces Beijing's 13th five-year plan:** In an annual working meeting held by the HK government and Guangdong provincial authorities, the two sides signed an agreement covering 92 areas of cooperation, ranging from the "One Belt, One Road" initiative and innovation and technology to financial and professional services and environmental protection. The three free-trade zones in Guangdong province – Qianhai, Nansha and Hengqin – are expected to play a greater role in cooperation between the southern province and HK in the coming years, the government said, in line with the dedicated chapter on HK and Macau in the nation's 13th five-year plan expressing support for closer ties between the three regions.

**HK's credit rating risks cut as financial secretary blasts Moody's assessment as 'mistake':** Moody's cut the city's long-term debt outlook to "negative" from "stable" citing HK's reliance on trade amid a slowdown in the mainland Chinese economy. Financial Secretary John Tsang however blasted the rating agency saying that Moody's was mistaken in interpreting "close links with China" as a risk. "Yes, HK has close ties with the mainland – it isn't a 'China risk' but a 'China opportunity'," he said. Moody's also said "domestic political tensions" and "evidence of interference from China in HK's policy formulation and implementation" was consistent with a downgrade. Tsang said the assessment was "totally wrong" and one the government does not agree on. "We have been implementing the 'one country, two systems' policy with diligence," he said.

**Li Ka-shing labels current downturn in HK property, retail sales worse than during Sars epidemic:** HK is experiencing some of its harshest economic conditions in two decades amid global weakness, with the current downturn in property and retail sales "worse" than during the Sars epidemic, said CK Hutchison's chairman Li Ka-shing. CK Hutchison, whose businesses range from ports and retail to energy and telecommunications,

**'No plans at all' to relax cooling measures on HK property market, says Chief Executive CY Leung:** There are "no plans at all" to relax cooling measures on property prices, although the completion rate of private home units will reach a 12-year high this year. That was the message from Chief Executive Leung Chun-ying as he also vowed to continue to increase the housing supply. He added that the government will continue to "suppress the need for housing units" for the purposes of speculation and investment.

### Domestic politics:

**Beijing slams creation of HK independence party, saying it endangers national security:** Beijing's office in charge of HK affairs has slammed the establishment of a new political party advocating independence for the city as a serious violation of the country's constitution, the Basic Law and a threat to national security. The State Council's HK and Macau Affairs Office issued a strongly worded statement through the official Xinhua news agency, after the HK National Party announced its formation. It has yet to be registered. A HK government spokesman replied: "Any suggestion that HK should be independent or any movement to advocate such 'independence' is against the Basic Law, and will undermine the stability and prosperity of HK and impair the interests of the general public. The SAR government will take action according to the law." Political commentator

Johnny Lau said Beijing's condemnation was "unnecessary" because pro-independence ideology had not gained support in the city.

**Despite a rioting charge hanging over him, localist Edward Leung garnered 16 per cent of Legco by-election votes:** Edward Leung, the localist who was a nobody prior to the Mong Kong riot, stunned pundits and politicians alike by clinching 15.4 per cent of total valid votes cast in Legislative Council by-election for the New Territories East constituency. Lau Siu-kai, vice-chairman of the Chinese Association of HK and Macau Studies, said voters who backed Leung used their ballots to express their discontent with the central government, the HK government and, in particular, the chief executive. Some political analysts are sensing the emergence of localism as a new force in the political landscape of HK that has traditionally had only two blocs pan-democrats and pro-establishment camp since the 1997 handover.

**'Engage youth':** Yu Zhengsheng, chairman of the Chinese People's Political Consultative Conference, urged HK delegates to engage with the city's youth, as he launched China's two-week-long political high season with the opening of the political advisory body's annual session on March 3. "We will extensively and thoroughly participate in work related to young people in HK and Macau," Yu said. Yu's report came days after HK localist Edward Leung, 24, won more than 66,000 votes in a Legislative Council by-election, coming third.

**'Street politics could tarnish HK's image,' NPC chairman Zhang Dejiang warns:** HK should avoid politicising its economic problems and resorting to "street politics" as it will tarnish the city's image and scare off foreign investors, National People's Congress chairman Zhang Dejiang warned. Last month, hundreds of protesters clashed with police in a violent disturbance in Mong Kok, and Beijing officials branded the rioters as "radical separatists".

**Some of the Scholarism leaders will form a political party to contest the Legislative Council elections in September:** Student activist group Scholarism, which played a leading role in the 2014 Occupy protests, suspended work before completely disbanding to form a new, "less politicised" group. The end was announced a month before the formation of the new political party to be led by the group's convenor, Joshua Wong, alongside a few core members. The party is preparing to field at least two candidates in the Legislative Council elections in September, setting the stage for younger players to enter an arena dominated by ageing veterans. Describing the break-up of Scholarism as a tough decision, Wong said it would help the group to reposition itself, with a new student body – to be formed in six months – focusing on student issues and civic education, while the party concentrated on elections and greater democracy.

**HK young people fuel rise of localism at city's universities:** Support for localism is on the rise in universities, with possibly up to half of the city's eight publicly funded institutions installing pro-localist student unions this year. But none of the student leaders insisted on independence for HK as their desired objective. They were, however, poised to push for a greater Hongkongers-first approach and what they described as greater protection for the city's core values.

**HK rural leaders' plan to form political party gets 'positive feedback' from 'friends' in Beijing:** Rural leaders have received Beijing's blessing to form their own political party in the near future, a rural strongman Bowie Hau claimed. Heung Yee Kuk is a powerful advisory body representing the interests of indigenous villagers in the New Territories. He criticised the pro-government lawmakers for supporting everything the government proposed and the anti-government side for doing the exact opposite.

### **Relations HK - Mainland China**

**Beijing committed to 'one country, two systems' says Premier Li Keqiang:** Beijing will "unswervingly" implement the principles of 'one country, two systems' and maintain the long-term prosperity and stability of HK and Macau, Premier Li Keqiang promised in his first annual report. "We will further increase co-operation between the mainland and the two regions and help them become more competitive," he added. "As China continues to comprehensively deepen reform and modernise, HK and Macau stand to benefit greatly."

**HK independence 'impossible', says Beijing legal official:** A senior legal official from Beijing has completely dismissed escalating calls from some Hongkongers to turn the Chinese territory into an independent sovereign state in 2047. "It's impossible," Qiao Xiaoyang, head of the National People's Congress Law Committee, said of the suggestion. The comments came after an article in the latest issue of the University of HK student magazine Undergrad proposed that HK become a sovereign state recognised by the UN in 2047. Chief Executive Leung Chun-ying stressed it was "common sense" that HK would continue to be a part of China after 2047, as it had always been "since ancient times".

**Chinese premier Li Keqiang expresses 'confidence in bright future for HK':** Premier Li Keqiang has expressed faith in Hongkongers to resolve their own complex problems with wisdom as he struck an upbeat note about the city's "bright future" despite an international rating agency's downgrading the city's outlook. Li commented on the city's future while speaking at a press conference to wrap up the annual "two sessions" in Beijing. "The central government will give full support to any proposals from the SAR government that help

maintain HK's long-term prosperity and stability and contribute to the well-being of the people of HK. Beijing will continue to uphold "one country, two systems", Li added.

### International relations

**China slams US drone strikes on 'innocent civilians' as United Nations showdown over missing booksellers escalates into slanging match:** Fu Cong, the Chinese deputy permanent representative to the United Nations Office at Geneva, lashed out at the United States, saying "its gun violence is rampant, racism is its deep-rooted malaise", after the latter issued a joint statement with 11 other countries slamming China over the disappearances of five HK booksellers. Referring to "recent reports of abductions", the American ambassador Keith Harper said: "These extraterritorial actions are unacceptable, out of step with the expectations of the international community, and a challenge to the rules-based international order. The actions involving individuals in HK represent a violation of the high degree of autonomy promised HK under its Basic Law."

### Legal affairs and human rights

**Lee Po incident raises more questions over 'one country, two systems', says HK Bar Association chair Winnie Tam:** The head of the HK Bar Association sent out another warning that unanswered questions about the case of bookseller Lee Po were causing more fears about the "one country, two systems" policy. Association chairwoman Winnie Tam SC had previously described it as the "most worrisome" event since the handover in 1997, and pointed out that Lee's return to the city had not resolved anything. The Causeway Bay bookseller went missing last year and later surfaced on the mainland, prompting speculation that he had been kidnapped by Chinese agents acting outside their jurisdiction – which he later denied. He and four of his associates who also vanished last year and turned up later on the mainland denied being abducted, all sticking to the story that they had gone there voluntarily to help with an investigation into the smuggling and sale of books banned across the border. Within 24 hours after Lee Po returned to the city and asked HK police to scrap their investigation into his missing-person case, he crossed the border again back to the mainland, claiming he was free to travel.

**Put asylum seekers in reception centres and pull out of UN torture convention, says HK lawmaker:** All asylum seekers should be housed in reception centres and limited to three months of legal aid, a pro-establishment lawmaker Dr. Priscilla Leung proposed. She suggested that if these measures failed to eliminate abuses of the system, then HK should ask Beijing to seek approval from the United Nations to exempt the city from the convention offering asylum seekers protection. Leung's remarks came days after Beijing legal expert and Peking University law professor Rao Geping rejected pulling the city out of the UN torture convention, an idea once endorsed by Chief Executive Leung Chun-ying and former HK security minister Ambrose Lee.

**Leung Chun-ying pours cold water on Regina Ip's proposal for Shenzhen refugee camp:** Chief Executive Leung Chun-ying dismissed the idea of building a detention camp across the border to house asylum seekers in HK. Leung's comments came after the executive councillor and former security chief Regina Ip calling for a camp to be set up in Shenzhen for asylum and torture claimants to stem the influx of economic immigrants to the city. HK has a backlog of 11,160 applications on asylum and torture grounds that need to be screened. It was understood that more than half of the claimants were illegal immigrants and a case takes on average 2.3 years to resolve. The government expected the related expenditure of this year to balloon from HK\$644 million to HK\$1.4 billion. Leung reiterated the refugee problem is "extremely troubling for HK", and that it "exerted a lot of pressure on the administration". He added he would seek to work with Beijing on a diplomatic level to solve the problem.

### Health

**HK's public clinics set quota on vaccinations for non-local children:** Public clinics will provide vaccinations for a maximum 120 non-local children each month in a bid to reassure HK parents amid fears of a shortage sparked by a vaccine scandal on the mainland. With a quota system imposed in the public sector, private hospitals are expected to take in 10 to 20 per cent more cases. The quota is based on the local birth rate, the use of services in public health centres and manpower arrangements.

**HK government implements three-tier alert system for Zika virus, and places city at lowest level:** A newly devised response system for the Zika virus was activated by the government on March 11 as HK was notified that a second person travelling through the city had contracted the virus. The government activated the lowest of the three-level system, the alert level. The second level is serious while the highest is emergency. The Department of Health's Centre for Health Protection said the system made it clear what measures needed to be taken at each level.

**HK government tells patients to use private doctors while public hospitals are full:** Public hospitals have struggled through unprecedented demand driven by widespread flu during the winter and the persisting cold weather. Most hospitals still have their wards filled at over 100 per cent, meaning all the beds are full, with temporary beds laid out in between and along the corridors. The Medical Association, the city's largest doctors' group, also plans to send letters to private doctors urging them to work part-time at the overcrowded public hospitals despite the low pay.

**'Breaking point':** In a full-page letter addressed to Chief Executive Leung Chun-ying, the Association of HK Nursing Staff urged Leung to come up with a special arrangement to increase resources and manpower so as to

maintain service quality in the public health sector and ease the workload of frontline nurses. The capacity of public hospitals has been further challenged in the ongoing flu season, with bed occupancy rates in medical wards exceeding 130 per cent. The group said the nurse to patient ratio was over 1-12, much higher than the international standard of 1-6. The group claimed to be “extremely discontented” as the Food and Health Bureau and the Hospital Authority have not adopted effective emergency measures to handle the current situation.

### **Environment**

**HK environmental advisers say government’s biodiversity plan for city is short of ideas:** The government is in the process of drawing up a Biodiversity Strategy and Action Plan (BSAP), a road map to “stepping up conservation efforts and supporting sustainable development”. Advisory Council on the Environment member Dr Hung Wing-tat, said the only way the final plan could be effective was to ensure conservation was prioritised in future planning and development projects such as by adding mandatory conservation plans on top of environmental impact assessments. Conservationist Dr Michael Lau said there were no hard conservation targets and cited weak marine conservation efforts. While 40 per cent of the city is country park, less than two per cent of its waters is under equivalent protection, he said.

**Climate change could see half a reservoir of HK’s potable water evaporate per year, green group says:** Warmer temperatures brought about by climate change could see up to 7.3 million cubic metres more of HK’s potable water – about half of the Shing Mun Reservoir – literally evaporate every year by the end of the century, an environmental group has warned. Rainfall helps offset evaporation from reservoirs in most years, but Green Power said the lack of necessary research would jeopardise the city’s long-term water supplies as global warming caused more extreme weather patterns such as droughts and floods, which can contaminate freshwater sources. “We won’t take this seriously now but if droughts prevail over southern China, our water supply from the Dongjiang could be affected,” said Cheng Luk-ki, Green Power’s head of scientific research and conservation. He was referring to the mainland river system that provides HK with more than three-quarters of its freshwater needs.

### **Culture and education**

**Students at breaking point:** Since the start of the academic year, a spike in the number of students in HK who have committed suicide has seen 22 young people – one just 11 years old – take their lives. The four most recent cases occurred over just five days. Compare this to the average of 23 student suicides a year between 2010 and 2014, according to figures from the University of HK’s Centre for Suicide Research and Prevention, and it is clear why alarm bells are ringing. The Education Bureau announced new measures after an emergency meeting with key stakeholders. These included improving student counselling support in schools, holding seminars to help teachers and parents to identify problems earlier, and forming a committee to come up with recommendations on preventative solutions in six months.

**Leisure department accused of telling drama group to censor Taipei university name in artist’s bio:** The Secretary for Home Affairs Lau Kong-wah said the authorities would work on improving communications with arts groups after the Leisure and Cultural Services Department allegedly prohibited an artist from publishing the full name of her Taiwanese alma mater because it contained the word “national”. The alleged ban drew fire from lawmakers. Democrat James To said the central government had recognised the “1992 consensus”, which stated that there was one China, with the mainland and Taiwan each having its own interpretation of what that meant.

**Arthur Li’s leadership style an obstacle to rebuilding trust, says University of HK council member:** Mutual trust within the University of HK’s governing council will be hard to restore and depends heavily on the council’s future course, one of its members, Dr Cheung Kie-chung, said. Cheung said the breakdown in trust within the council began last June, when the appointment of Johannes Chan for the position of pro-vice-chancellor at the university was rejected by the body. There had always been discussion on appointments over the years, but the council had always unanimously approved of the choices made by the selection committee charged with identifying suitable candidates.

**The verdict on Art Basel; sales defy doubters, crowds exceed expectations:** Most of the 239 galleries that had paid HK\$100,000 to HK\$726,000 for a booth made a profit despite predictions collectors would stay away since so many Asia-Pacific economies are seeing slower growth. Far from causing a drop in visitors, the fair’s timing over the Easter weekend resulted in more visitors both to Art Basel and Art Central, the satellite fair now in its second year. Both events reported record attendance. Art Basel does not give out sales figures, but by most accounts sales were steady.

### **Macau**

**Triads ‘play major role’ in high-rolling Macau VIP casino rooms:** A gangland reputation, financial clout and the ability to recover debts by whatever means necessary – that’s what it takes to run a high-rolling VIP operation in a Macau casino, according to an in-depth academic study by HK’s City University. Macau’s Gaming Inspection and Coordination Bureau said it was not aware of triads operating in VIP rooms. “So far we have not verified any triads selected by casinos or working with junkets,” Macau’s top casino regulator told news agency Lusa, adding that “appropriate measures” would be taken if irregularities were found.

### **Press articles related to Switzerland and Swiss matters**

**The 2016 World Happiness Report:** Denmark, closely followed by **Switzerland**, is the happiest place in the world while crisis-torn Syria and Burundi are the most miserable, according to a global ranking. HK was a little bit sadder than last year, now in 75th place out of 157 countries and territories compared to 72nd last year, while mainland China was very slightly happier, up one place to 83rd. The 2016 World Happiness Report seeks to quantify happiness as a means of making societies healthier and more efficient. The United Nations published the first such study in 2012.

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