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Contents

Switzerland	2
Swiss bank UBP plans HK, GBA expansion to satisfy growing wealth-management demand	2
Swiss SEBA Bank gets approval to provide crypto-related services in Hong Kong	2
HK is again the luxury market with the highest per capita expenditure, beating CH and the UAE	2
Foreign Policy / International Relations	2
HK inches closer to closing trade offices in the US, HKGov hits back at US clearance of the bill	2
Government slams US-China commission report.....	2
Chief Executive says Hong Kong & US can do much together 'if domestic politics set aside'	2
HK Leader Criticizes US Bill to Widen Sanctions, John Lee missed APEC meeting	2
Mainland	3
Loud and clear message to foreign investors from Beijing's top official in city	3
Guangdong unveils blueprint to erase digital border with Hong Kong and Macao	3
Domestic Policy / Politics / Law	3
Landmark national security trial could end early December, court hears	3
Pupils to learn national security law starting age 8	3
Economy	3
Waiting time for Hong Kong public rental flats climbs to 5.6 years, and figure higher next year	3
Export to face hurdles, tourism and consumption to become main drivers of local economy	4
Recovery of transport industry	4
Hong Kong firmly defends US dollar peg even as property market falters	4
Trend of German businesses moving out of Hong Kong stabilises	4
HSBC chief executive says wealth flow from mainland China to HK up 3 to 4 times this year	4
HK home prices will fall by 10% in 2024, amid high interest rates, housing glut	4
Hong Kong's IPO market is still in a slump despite an expected rebound	4
Deeper connection with Thailand as local payment system makes inroads into Thailand	4
Chinese arrivals replacing Hong Kong exodus, for a freer environment	5
Society / Culture / Education	5
HKU takes No. 2 spot from Singapore in Asia university rankings	5
Asia's first Gay Games tests HK's global status, fostering hopes for wider LGBTQ+ inclusion	5
Macau	5
Chief Executive rallies civil society to follow Beijing's patriotic education law	5
National security headlines 2024 policy address	5
Minimum wage bill passes first reading amid heated debate	5
Air Macau receives another extension of monopoly as civil aviation bill still underway	5
Macao government forecasts budget surplus for upcoming financial year.....	5

Switzerland

Swiss bank UBP plans HK, GBA expansion to satisfy growing wealth-management demand

Over the past five years, Greater China accounts for 75% of UBP's Asia growth, says Guy de Picciotto. The bay area's population of 85 million people and growing middle class, as well as Hong Kong's efforts to court family offices, bode well, he says. The expansion plans come after de Picciotto found the bank's Asia business has been on a five-year growth trend despite the three-year pandemic's interruption of business and cross-border travel. [SCMP](#) Nov 15

Swiss SEBA Bank gets approval to provide crypto-related services in Hong Kong

The Hong Kong arm of Swiss cryptocurrency-focused SEBA Bank has received a license from the Securities and Futures Commission (SFC) to offer crypto-related services in the city as the government continues efforts to become a regional hub for digital assets. SEBA said the license allows it to deal in and distribute both traditional and virtual assets-related securities, such as over-the-counter derivatives and structured products with underlying virtual assets, as well as advise on and conduct asset management for the securities in discretionary accounts. [SCMP](#) Nov 9

HK is again the luxury market with the highest per capita expenditure, beating CH and the UAE

Hong Kong's luxury market rebounded strongly in 2023, following the unrest of 2019 and three years of stringent anti-covid measures, according to the 'World Market for Luxury Goods' report by Euromonitor. As the city opens up to a steady flow of mainland Chinese tourists while adapting to post-pandemic market trends, it has regained its spot as the market with the highest per capita expenditure on luxury goods, after previously losing it to Switzerland and the UAE. Mainland Chinese visitors have flocked to the city, including for the recent National Day 'golden week' break, with jewellery the fastest luxury sector to bounce back in the APAC region. In addition, Hong Kong boasts a remarkable concentration of high-net-worth individuals with an exceptional per capita expenditure on luxury goods. Among various luxury categories, personal luxury items saw the highest sales, followed closely by premium and luxury cars. [SCMP](#) Nov 2

Foreign Policy / International Relations

HK inches closer to closing trade offices in the US, HKGov hits back at US clearance of the bill

The SAR government strongly condemned the US House Foreign Affairs Committee for approving legislation on 29 November that officials here say smears and attacks the work of the Hong Kong Economic and Trade Offices (ETOs) in the US. In a statement, the government said the so-called Hong Kong Economic and Trade Office Certification Act completely ignores the status of the SAR under "One country, Two systems", and maliciously slanders the legitimate purpose of implementing a national security law to protect human rights and the rule of law. The government added that the US enjoys significant economic benefit in the territory, with a trade surplus of almost USD300 billion in the past ten years, and more than 1'200 US companies have set up businesses in Hong Kong. The bill is now expected to go to the full chamber for a vote. Assuming both chambers pass the bill and Biden signs it, the American leader would be required to explain to Congress why the city's offices in the US should retain or lose their diplomatic privileges, which were granted under the Hong Kong Policy Act of 1992. [HKGov](#) [RTHK](#) [SCMP](#) Nov 30

Government slams US-China commission report

In its 2023 report to the US Congress, the US-China Economic and Security Review Commission gave 30 recommendations, with a highlight on China's increasingly 'aggressive' foreign policy. It called on lawmakers to establish a 'risk matrix' to evaluate the national security threat posed by electronic goods imported from China, as well as creating a framework for corporate disclosures of their total assets and joint ventures in China. The section dedicated to Hong Kong noted the city's efforts to 'draw in mainland Chinese business and talent to boost its lagging domestic economy.' It added that 'Beijing's efforts to rehabilitate Hong Kong's international image are cosmetic, designed purely to attract foreign business.' The Hong Kong government on 15 November issued a statement expressing its strong disapproval of the report, while reiterating the distinctive advantage of enjoying the unparalleled connectivity with China and the world. [USReport](#) [HKGov](#) [SCMP](#) Nov 15

Chief Executive says Hong Kong & US can do much together 'if domestic politics set aside'

Chief Executive John Lee said that Hong Kong and the United States have ample potential for stronger economic and trade ties 'if one sets aside all the domestic political interests'. Lee was speaking at the Hong Kong Forum on US-China Relations, where Chinese Ambassador to the United States Xie Feng also said that China-US relations are showing positive signs of stability after a series of high-level interactions. US ambassador to China Nicholas Burns said that although there are competition and differences between the two countries, Washington and Beijing are more capable of managing the differences. [SCMP](#) [TS](#) Nov 10

HK Leader Criticizes US Bill to Widen Sanctions, John Lee missed APEC meeting

Hong Kong's Chief Executive John Lee has strongly condemned a US bipartisan bill proposed by lawmakers to sanction on 49 people who may be responsible for enforcing the Beijing-imposed National Security Law. The proposed sanction list included Hong Kong's Chief Justice, police commissioner and

designated national security judges. If passed, this will be the first time for any judicial officers in any common law jurisdictions to be sanctioned. Meanwhile, HK Financial Secretary Paul Chan attended the Asia-Pacific Economic Cooperation Economic Leaders' Meeting – which will take place in the American city of San Francisco – on behalf of the Chief Executive John Lee. Lee is among 11 officials sanctioned by the US for their roles in the imposition of the National Security Law in June 2020. Chan discussed the fiscal policies and resource allocation strategies with ministers of the member economies in the APEC as he attended a meeting hosted by US Secretary of the Treasury Janet Yellen on 12 November. [TS SCMP Bloomberg HKFP SCMP2 TS2 SCMP3](#) Oct 31, Nov 3, 5 & 13

Mainland

Loud and clear message to foreign investors from Beijing's top official in city

Zheng Yanxiong, director of the central government's liaison office in the city says Hong Kong is irreplaceable on path of Chinese modernization. The Beijing official was speaking at the first edition of the Hong Kong Financial Forum, co-organized by the Post and the Hong Kong Economic Times. "Maintaining its international character is the secret code for Hong Kong to thrive and the source of its confidence," Zheng told around 300 guests at the forum, which was themed on Hong Kong's competitive edge as a global city. Earlier this month, Chief Executive John Lee announced that 30 key enterprises agreed to settle in the city next year and expected to draw a HKD4 billion (EUR482 million) investment as well as create 10'000 jobs. Meanwhile, Director of the Hong Kong and Macao Affairs Office Xia Baolong met Swire Pacific director Merlin Swire, property developer, major investor in HK, in Shenzhen, in a show of Beijing's policy to stabilize and promote foreign investments. Xia praised Swire for establishing roots in HK, supporting "One country, Two systems" and promoting the city's economic development. In a statement issued after the meeting, the London-based company pledged to continue to increase investments in the city and mainland China while actively participating in the growth of the Greater Bay Area. [TS TS2 SCMP](#) Nov 13, 15 & 27

Guangdong unveils blueprint to erase digital border with Hong Kong and Macao

Guangdong authorities announced its plan to complete the establishment of the Digital Greater Bay Area in 2025, which would allow Hong Kong and Macao businesses and residents to electronically access public services on either side of the border. Areas to be covered include travel, catering, telecoms, electronic payments, job-seeking, elderly care, medical services, education, insurance and welfare, including social security payments. The home return permit – a document used by Hong Kong and Macao residents when travelling to the mainland – will be treated in the same way as provincial identity cards. The three-year plan was welcomed by Hong Kong lawmakers, saying it would facilitate work or study in the Greater Bay Area. [SCMP RTHK](#) Nov 22

Domestic Policy / Politics / Law

Landmark national security trial could end early December, court hears

Hong Kong's landmark national security trial involving 47 pro-democracy figures accused of "conspiring to subvert state power" over their role in an unofficial opposition primary election in July 2020, could end as early as 4 Dec. 2023, a court has heard. Most of the defendants have been detained since a marathon bail hearing in March 2021, with 13 currently out on bail. Judge Andrew Chan added that, after the closing submissions, a verdict may "tentatively" be delivered in three to four months. The defendants could be sentenced to life imprisonment if convicted. [HKFP-HK47 HKFP](#) Nov 30

Pupils to learn national security law starting age 8

The Education Bureau announced on 23 November that primary schools would start testing out a new humanities curriculum from the next academic year, with patriotic education as one of the focuses. The new subject, replacing the current General Studies in phases from 2025/2026, would require primary three pupils (aged eight or nine) to have a basic knowledge of the National Security Law, as well as the Hong Kong People's Liberation Army garrison and national defence. The new humanities curriculum outline came around a month after Chief Executive John Lee announced his patriotic education initiatives in his second policy address on 25 October. [HK EduBureau TS SCMP RTHK](#) Nov 23

Economy

Waiting time for Hong Kong public rental flats climbs to 5.6 years, and figure higher next year

The average waiting time for a Hong Kong public rental flat will continue to rise in the first half of 2024, the government has warned after the latest figure edged upwards to 5.6 years, the first increase in more than 12 months. The Housing Authority said the latest increase was mainly due to fewer new public rental homes becoming available in recent quarters. Previously, families and elderly applicants could expect to wait 5.3 years for a flat. It said the public housing supply would increase starting in 2024-25, and the government would also build 30,000 temporary flats in the coming few years. [SCMP](#) Nov 30

Export to face hurdles, tourism and consumption to become main drivers of local economy

HK exports are likely to still face “significant challenges” next year, the city’s finance chief Paul Chan has said, adding that the effects of government efforts to attract investors may take time to become apparent. Authorities earlier this month adjusted the city’s growth forecast for 2023 from 4-5% to 3.2% largely due to challenges in terms of exports. Chan further commented that HK’s export relies heavily on re-exportation from the mainland, but the mainland’s export were reduced this year but stressed that consumption and investment were seeing positive growth with the number of tourists visiting the city reaching about 60% pre-pandemic levels. Separately, Financial Secretary will deliver the Annual Budget on 28 February 2024. [TS SCMP Nikkei Asia SCMP2](#) Nov 6, 10 & 26

Recovery of transport industry

Financial Secretary Paul Chan expected HK’s air traffic to achieve a full recovery next year, as both passenger and cargo levels have continued to build back and would reach 80% pre-pandemic levels this year. According to the latest statistics, the Airport Authority Hong Kong has handled 3.8 million passengers in October 2023, representing a four-fold year-on-year increase, while flight movements approximately doubled to 26’265. Cargo throughput also continued to grow in October, rising by 12.1% year-on-year to 393’000 tonnes. Hong Kong’s carrier Cathay Pacific Airways Ltd. said it will report its first annual profit since 2019 as passenger volumes return to near pre-pandemic levels, cementing its financial rebound from the most damaging period in the airline’s history. The carrier’s recovery has lagged other airlines after Hong Kong and mainland China - the company’s key market - held on to strict pandemic controls longer than almost anywhere else in the world. Meanwhile, the Hong Kong-Shenzhen rail route has seen the ‘most significant growth’ and surpasses pre-pandemic levels, exceeding 17 million passengers this year. [SCMP HKIA SCMP2 Bloomberg](#) Nov 21 & 23

Hong Kong firmly defends US dollar peg even as property market falters

Authorities have defended the currency peg to the U.S. dollar by intervening 49 times over a 12-month period to keep the HKD within the official trading band which is set between 7.75 and 7.85 against the greenback. [NikkeiAsia](#) Nov 17

Trend of German businesses moving out of Hong Kong stabilises

The trend of German businesses relocating out of Hong Kong has stabilised, according to a latest survey conducted by the German Industry and Commerce and German Chamber of Commerce. 14% of the companies polled said that they will consider a relocation in the coming 12 months, compared to 33% last year. The survey also showed that the perception of Hong Kong as a business location by those working on the ground compared to those looking at the city from afar has continuously polarised in recent years. The survey was conducted between August and September with replies from 81 German or German-related firms. [AHK](#) Nov 8

HSBC chief executive says wealth flow from mainland China to HK up 3 to 4 times this year

HSBC Group Chief Executive Noel Quinn said that wealth flow from mainland China to Hong Kong has grown by three to four times this year. Separately, WSJ reported that the Chief Executives of U.S. banks who attended the Global Financial Leaders’ Investment Summit in Hong Kong spoke about broad topics such as financial stability, but not China as well as the geopolitical tensions. [Reuters WSJ](#) Nov 7

HK home prices will fall by 10% in 2024, amid high interest rates, housing glut

According to Swiss investment bank experts from UBS, home prices expected to fall as high interest rates dent demand and an abundance of housing stock boosts supply. The unfavorable economic environment and high borrowing costs are likely to prompt developers-many already facing a shortage of cash-to offer flats at discounted rates, UBS said. [SCMP](#) Nov 16

Hong Kong’s IPO market is still in a slump despite an expected rebound

Hong Kong’s initial public listing market remains in a slump, even as analysts predicted a market rebound in the second half of the year. In the first three quarters of the year, the Hong Kong IPO market concluded 44 listings, and raised HKD24.6 billion (EUR2.96 billion), according to KPMG China. The numbers represented a drop of 65% in deal count and 15% in proceeds respectively compared to the same period last year. [CNBC](#) Nov 5

Deeper connection with Thailand as local payment system makes inroads into Thailand

Hongkongers can use the Faster Payment System when visiting Thailand from early next month, Hong Kong Monetary Authority revealed. Meanwhile, Chief Executive John Lee said that the government is committed to deepening regional economic cooperation with members of Regional Comprehensive Economic Partnership. Separately, Hong Kong is working on ways to allow mainland tourists to use the digital yuan for retail transactions in the city. [TS RTHK TS2](#) Nov 3

Chinese arrivals replacing Hong Kong exodus, for a freer environment

Under the Top Talent Pass Scheme, a program launched in late 2022 aimed at luring high-income professionals and top global university graduates from around the world, Hong Kong has attracted tens of thousands of visa applications, though nine in ten successful applicants are from China. Many of them came to Hong Kong for a freer environment and a less oppressive work culture. As a result, their arrival is offsetting the exodus of professionals from Hong Kong triggered by a crackdown on its civil liberties. [AP](#)
Nov 1

Society / Culture / Education

HKU takes No. 2 spot from Singapore in Asia university rankings

The University of Hong Kong has been ranked as the second best Asian university, surpassing the National University of Singapore, according to the latest QS Asia University Rankings. Five Hong Kong Universities have made it to the top 25 universities in Asia. The No.1 University on the chart is Peking University. [TS](#)
Nov 9

Asia's first Gay Games tests HK's global status, fostering hopes for wider LGBTQ+ inclusion

More than a thousand athletes gathered in a Hong Kong stadium at the opening of the Gay Games, the first time the international LGBTQ sporting event has come to Asia. After a year's delay due to the pandemic, the nine-day event hosted about 2'400 participants from some 40 territories. However, seven anti-LGBTQ lawmakers have urged authorities to ban the Hong Kong Gay Games, claiming it poses a threat to national security. [SCMP](#) [TS](#) [Nikkei Asia](#) [TS2](#) Nov 1, 2, 4

Macau

Chief Executive rallies civil society to follow Beijing's patriotic education law

Chief Executive Ho Iat-seng urged Macao's civil society to strengthen its patriotic education campaign in compliance with the essence and spirit of China's newly enacted Patriotic Education Law, though the new law would not be formally implemented in the territory as it is not included in its Basic Law's Annex 3. Ho also underlined the implementation of patriotic education in schools and higher education institutions, which included China's constitution and local national security law. [MPD](#) [TDM](#) Nov 16

National security headlines 2024 policy address

In the policy address delivered on 14 November, Chief Executive Ho Iat-seng highlighted his administration's priority for national security. Ho said that his administration was working to protect national security through legislation, education and the support of the law enforcement. He also reiterated the need for Macao to remain vigilant to 'foreign forces', which he deemed would not give up their 'attacks' on Macao as they would not want to see the successful implementation of the "One country, Two systems" principle. [MPD](#) Nov 15

Minimum wage bill passes first reading amid heated debate

The revision of the minimum wage law was generally approved, which will increase the amount to MOP34 (EUR3.97) from MOP32 per hour. Some lawmakers have criticised the government for the delay in the minimum wage review process as this prevents the lower-income group from catching up with the general inflation. [MDT](#) Nov 9

Air Macau receives another extension of monopoly as civil aviation bill still underway

The government announced that it decided to extend Air Macau's monopoly concession for another three years, or until the city's future new law regulating civil aviation activities finally takes effect. The Macao Civil Aviation Authority said that a government-initiated bill regulating Macao's civil aviation activities is still being reviewed by one of the legislature's standing committees. [MPD](#) Nov 7

Macao government forecasts budget surplus for upcoming financial year

The Macao government said that it will record a budget surplus for the upcoming financial year on the back of a recovering tourism industry. The government expected to book a budget surplus of MOP 1.2 billion (EUR140 million) for the upcoming fiscal year from a deficit of MOP 35.6 billion (EUR4.16 billion) in the current year. [MN](#) [MN2](#) Nov 3 & 5

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