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Switzerland in the local press

Swiss Luxury watch industry's devastating year (SCMP, Feb.10):

After years of success, Switzerland's luxury watch industry was hit hard by the Covid-19 pandemic and the subsequent economic crunch, and only the best-placed brands remained largely undamaged. Chinese luxury consumers created a surge in Swiss watch exports to mainland China after starting to shop locally, with demand strong for mid-price brands. Rolex was one of the least affected by the economic crunch last year while the Swatch group posted its first loss since 1983.

Singapore 'Davos' to be postponed until August (RTHK, Feb.4):

The World Economic Forum said that its annual meeting, which has already been postponed and moved from Switzerland to Singapore, will be pushed back again due to pandemic-related challenges. While a virtual meeting of world leaders was held last month, the physical meeting had already been moved due to the Covid-19 crisis and rescheduled to take place in Singapore in May. But the organisers said it would now be postponed again until August 17-20.

Foreign Policy / International Relations

Top EU diplomats step up criticism of China's crackdown on Hong Kong (SCMP, Feb.23):

The European Union escalated its criticism of Beijing's political crackdown on Hong Kong, but stopped short of rolling out major sanctions on the city's officials for the continued squeeze on opposition figures. Moreover, British Foreign Minister Dominic Raab said, in a speech to the UN Human Rights Council: "In Hong Kong, the rights of the people are being systematically violated. The national security law is a clear breach of the Sino-British Joint Declaration and is having a chilling effect on personal freedoms." Earlier in the day in a speech in Beijing, Chinese Foreign Minister Wang Yi called on the West to stop "undermining China's sovereignty and security on internal affairs concerning Hong Kong, Xinjiang and Tibet".

HK, Taiwan are China's internal affairs, Xi Jinping says (TheStandard, Feb.11):

On their first call since the U.S. President Biden's assumed office, Biden "underscored his fundamental concerns about Beijing's coercive and unfair economic practices, crackdown in Hong Kong, human rights abuses in Xinjiang, and increasingly assertive actions in the region, including toward Taiwan". The Taiwan question and issues relating to Hong Kong, Xinjiang, and so on are China's internal affairs and concern China's sovereignty and territorial integrity, and the U.S. side should respect China's core interests and act prudently, President Xi Jinping said, state media, Xinhua reported.

Carrie Lam confirms HK does not recognise dual nationality (SCMP, Feb.9):

Hong Kong does not recognise dual nationality, chief executive Carrie Lam underscored a day after London warned that Chinese-British nationals might not get consular assistance if they entered the city on their British passports, saying her government was "strictly enforcing" the policy that Hong Kong residents of Chinese descent who were born in the city or on the mainland were -considered Chinese nationals and therefore not entitled to British consular protection.

Canada uni grads from HK get work leeway (TheStandard, Feb.5):

Canada announced that Hong Kong graduates of Canadian universities could apply for a new category of three-year work permit next week and expressed fresh concern about China's clampdown on the former British territory. The announcement marks the latest step in Canada's campaign to help Hong Kong after China imposed a new national security law in late June 2020, aimed at anything Beijing regards as subversion, secession or terrorism.

US should offer haven for Hongkongers: Blinken (RTHK, Feb.1):

The new US Secretary of State, Antony Blinken has reportedly said Washington should act to 'offer haven' to Hong Kong people suffering from 'repression' under Beijing. The United States, along with other western powers, have been vocal in their criticism of China's imposition of the national security law in Hong Kong last year, saying the move undermined the promise of a high degree of autonomy for the territory, though Beijing has dismissed such criticism as unwarranted interference.

Mainland Relations

Chief Executive says Beijing is trying to save 'One Country, Two Systems' (RTHK, Feb.23):

Commenting on remarks from Beijing that Hong Kong must be ruled by "staunch patriots", Chief Executive Carrie Lam said that the central government had to get involved in solving political problems

to ensure that “One Country, Two Systems” can continue. Lam noted that, “The central government is very worried and that’s why it has to solve the problems to prevent the situation from worsening to a point where the ‘One Country, Two Systems’ principle can no longer be implemented”.

Can Hong Kong opposition camp reinvent itself as a loyal Beijing critic? (SCMP, Feb.5):

The mood in Hong Kong’s pan-democratic camp is despondent, with 55 opposition activists arrested under the national security law. Experts feel it will be tough for the parties to survive for long in the face of crackdown, but they could gradually become pressure groups.

Schools given guidelines on bringing national security law to classroom (SCMP, Feb.5):

Government releases seven documents covering how nearly all of campus life should conform to controversial law, with education to begin as young as age six. The overhaul, coming after the anti-government protests of 2019 during which thousands of students were arrested for crimes ranging from taking part in illegal rallies to street violence, encourages schools to report offenders and call in police in situations deemed serious.

Patriot games: who is loyal enough and can critics survive the system? (SCMP, Feb.4):

Catchphrase ‘patriots governing Hong Kong’ is gaining currency amid city’s politically fractured landscape in the wake of the Occupy protests and 2019’s social unrest. New campaign launched to “reform and transform Hong Kong” to ensure “patriots govern Hong Kong”.

China’s new police point man takes charge in Hong Kong (SCMP, Feb.3):

Beijing has appointed a veteran police officer with experience overseas to serve as the main contact person between mainland Chinese and Hong Kong police. The government source said the Safeguarding National Security (OSNS) had taken over the liaison office’s responsibilities for national security and intelligence, leaving the liaison office to focus more on communication and cooperation with the Hong Kong government.

Domestic Policy / Politics

District councillors to pledge allegiance or face election ban (SCMP, Feb.23):

Secretary for Constitutional and Mainland Affairs, Erick Tsang, announced a draft bill which will require district councillors to take a pledge of allegiance to Hong Kong and the Basic Law. Councillors who breach their oath will be banned from running for public office for five years. The law will also allow for the disqualifications and bans of legislators. According to Tsang, four district councillors who were banned from running in the postponed legislative election would most likely lose their seats.

'Beijing must lead HK's electoral reforms' (RTHK, Feb.22):

The head of Beijing’s Hong Kong and Macau Affairs Office, Xia Baolong, said that Hong Kong’s leadership – from the executive to the legislature and the judicial systems – must compose of “staunch patriots”, and that the election system must be reformed so that people who “oppose China and disrupt Hong Kong” cannot take up positions of authority. He said the most pressing issue now is to refine the election system and “plug the legal loopholes”, so that the system “not only respects the public’s democratic rights, but safeguards the nation’s sovereignty. He added that the reform must be spearheaded by the central government.

Hong Kong protests: former opposition lawmakers face up to 5 years in jail (SCMP, Feb.16):

Two former opposition lawmakers Au Nok-hin and Leung Yiu-chung are facing up to five years in prison after admitting to their roles in an unauthorised demonstration against the now-withdrawn extradition bill in Hong Kong more than a year ago. Seven other co-defendants, including media tycoon Jimmy Lai Chee-ying, are set to dispute the legality of their prosecution in a two-week trial over the same 2019 protest.

Security trial without jury 'not rational' (RTHK, Feb.10):

Eric Cheung, Principal law lecturer at the University of Hong Kong, criticized a decision by the Department of Justice not to use a jury for the first trial under the SAR's national security law, saying the reason given for the move is “strange and ridiculous”, but an executive councillor Ronny Tong said the government has no choice because the case is a highly sensitive one. Secretary for Justice Teresa Cheng cited “the personal safety of jurors and their family members” for the decision in the trial of Tong Ying-kit, who was arrested for allegedly driving his motorbike into a crowd of police officers while flying a protest flag on July 1 last year.

New threshold for bail under national security law (SCMP, Feb.9):

Hong Kong's top court has extended media tycoon Jimmy Lai's stay behind bars after ruling a judge ad released him on US\$1.29 million bond based on an erroneous interpretation of a key provision in the national security law. The top judges held that Article 42 (2) of the security law, which specifies the requirements for granting bail, created a specific exception to the general principle of favouring the temporary release of defendants, introducing a stringent threshold for applications few would meet.

Govt twisting whole purpose of liberal studies (RTHK, Feb.4):

The Professional Teachers' Union (PTU) said the sector is angry about proposed changes to the liberal studies subject that will put a heavy emphasis on national education. Liberal studies has been blamed by pro-Beijing figures for fuelling anti-government sentiment among students during the social unrest of 2019, with some people also claiming the teaching materials are biased. Education officials are now proposing to reduce the current six modules to three, covering only Hong Kong being administered under the "One Country, Two Systems" principle, the country since its reforms and opening up, and the contemporary world.

Hong Kong's pro-establishment bloc moves to pull quorum calls, other delaying tactics from opposition's Legco playbook (SCMP, Feb.4):

Hong Kong's pro-establishment lawmakers are pushing for another overhaul of the legislature's rule book in a bid to further curb filibustering, two months after the mass departure of their opposition counterparts. But critics fear the latest batch of amendments will "fully" limit dissent and effectively bar lawmakers from voicing concerns over controversial bills in the future.

Economy / Finance

'HK still competitive even with higher stamp duty' (RTHK, Feb.25):

Financial Secretary Paul Chan defended his proposal to raise stamp duty on stock transactions by 30 percent despite complaints from lawmakers who said it would undermine Hong Kong's status as an international financial centre. Chan insisted Hong Kong still has many advantages. "In Hong Kong, there's free flow of capital, we have a market that is both large in both depth and breadth. Apart from stamp duty, other places may charge a dividend tax or capital gains tax, but we don't have that. So even if we increase the stamp duty... we remain highly competitive," Chan said.

WTO sets up panel over "Made in China" dispute with the US (SCMP, Feb.22):

The World Trade Organisation [WTO] agreed to set up a dispute-settlement panel upon its second request over a decision by the United States to label goods made in Hong Kong as "Made in China". Former US president Trump had ordered the change in the labelling of local products amid Sino-US trade tensions, and it has been in effect since mid-November 2020. In January, the Biden administration blocked Hong Kong's first request to raise the issue to the WTO by setting up such a panel.

Unemployment reaches 17-year high (SCMP, Feb.18):

Unemployment rose to 7% in the three months ending last month, the highest rate in almost 17 years. Up from 6.6% as of Dec.31, an additional 7'500 people, bringing the total to 253'300, the highest since October 2004. Labour chief Law Chi-kwong blames worsening labour market on fourth wave of infections which started in November, and warns that the market will remain under pressure in the near term as it will take time for economic activities to return to normal.

China's investors are flooding Hong Kong's capital market (SCMP, Feb.7):

The search of value as they dodge US sanctions and the fear of missing out on some of world's best-performing stocks have made Hong Kong a gateway for Chinese capital seeking overseas investment. Chinese enterprises accounted for 52 per cent of listed companies in Hong Kong in January

Hong Kong's banks are having their worst time since 2008 (SCMP, Feb.4):

The average pre-tax profit among the city's retail banks fell for the second year in 2020. The outlook for 2021 remains dim. The dismal picture of shrinking earnings and rising debt among retail banks draws a stark contrast with Hong Kong's booming stock market and the bull run in the property market, underscoring how the city's real economy marches to a different beat from its role as China's offshore financial hub. Hong Kong's economy shrank 3 per cent in the fourth quarter, resulting in a full-year decline of 6.1 per cent in 2020, according to advance estimates released by the Census and Statistics Department.

Retail sales plunge by record 24.3 per cent amid pandemic in 2020 (SCMP, Feb.2):

Retail sales plunged by a record 24.3 per cent year on year for 2020, as the coronavirus pandemic dampened consumer sentiment and kept big-spending tourists away. For 2020 as a whole, total retail

sales came in at HK\$326.5 billion (US\$42.11 billion), a 24.3 per cent drop in value and 25.5 per cent decline in volume compared with the year before. The business environment for the retail sector would remain challenging in the near term given the lack of inbound tourism and the ongoing health crisis, a government spokesman warned.

Hong Kong's minimum wage to remain unchanged at HK\$37.50 an hour (SCMP, Feb.3):

It is the first time since the hourly minimum rate was introduced in 2011 that it stays at the same level. Hong Kong's statutory minimum wage will be frozen at HK\$37.50 (US\$4.84) an hour, the government has announced, citing a struggling economy battered by the coronavirus pandemic. "The commission has considered that Hong Kong's economy is in a deep recession and the unemployment rate remains high," Secretary for Labour Law Chi-kwong said.

COVID-19 / Health & Environment

Mobilised for mass vaccination launch (SCMP, Feb.26)

More than 1,000 civil servants are mobilised for the launch of Covid-19 vaccination campaign on Feb. 26. About 70,000 Hongkongers have taken up all the available appointments for the injections until March 11, while reservations for after that date have been suspended until further notice. Only the mainland-made Sinovac vaccine has been delivered to the city so far. But a medical source said the first batch of the Pfizer-BioNTech coronavirus vaccine were expected to arrive in the next few days.

Jabs drive alone won't mean end of social distancing (SCMP, Feb.23):

Chief Executive Carrie Lam and her top officials became the first to receive a Covid-19 vaccine in the city, but she insisted only a steady decline of infections, not the mass immunisation scheme, could lead to the relaxation of social distancing. Launching on Feb. 26, the mass immunisation drive prioritises five groups, including those aged 60 and above and health care workers, as well as residents and staff of care centres for the elderly.

Macao

Gaming tax contracted 73.6% yoy in 2020 (MDT, Feb.22):

Macao's government received around MOP29.8 billion (US\$3.7 billion) from gaming tax in the whole of 2020, a drop of 73.6% year-on-year (YoY), the Financial Services Bureau (DSF) said. The DSF revealed that the receipts through the gaming taxes throughout 2020 took up around 64.8% of overall current revenue, totaling around MOP46 billion (US\$5.7 billion). Annual gross gaming revenue for 2020 generated MOP 60.4 billion (US\$7.6 billion), representing a sharp fall of 79.3% throughout 2019.

Special Focus

Financial Secretary delivers annual budget (SCMP, RTHK, Feb.24):

In his annual budget address, Financial Secretary Paul Chan adopted a cautious and targeted approach in helping the unemployed and the businesses devastated by the Covid-19 pandemic, while dishing out fewer sweeteners for the public compared to last year. However, Chan expects the economy to return to positive growth and expand by 3.5 to 5.5 percent this year. He warned that Hong Kong would report a record deficit of HK\$257.6 billion (US\$ 33 billion) in the current financial year, with the fiscal reserves expected to dwindle to HK\$902.7 billion (US\$ 116 billion) by March 31. For the next financial year, the fiscal deficit will likely reach HK\$101.6 billion (US\$13 billion) and likely to stay in the deficit area for a few years to come.

HK\$8 billion (US\$ billion) reserved for "safeguarding national security" (RTHK, Feb.24):

The government will set aside HK\$8 billion for "safeguarding national security in the coming years", which will cover the expenditure on national security posts. Chan dodged questions over the funding and only said, "it is to be used over the coming several years".

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