


Press Review Hong Kong

2 August 2024 / N°247

 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
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Consulate General of Switzerland in Hong Kong



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Switzerland

China and Hong Kong Slowdown Continues to Impact Global Swiss Watch Exports

Swiss watch exports have declined by 3.3% in the first half of 2024 compared to the same period in 2023, with June alone seeing a 7.2% drop, according to the Federation of the Swiss Watch Industry. This downturn is primarily driven by significant slumps in China (36.5%) and Hong Kong (23.1%), while the US market has grown by 6.5%, making it the largest and fastest-growing market. The UK showed resilience with only a 2.3% decrease. Japan has become the second-largest market due to a weak yen attracting tourists, despite overall declining sales in key territories. Swiss watch brands are cautious about oversupplying, which could lead to discounting and grey market issues. Swatch Group and Richemont have reported significant turnover declines, prompting a more conservative production approach to maintain market stability, as noted by Watches of Switzerland Group. [WP](#), Jul 18

Hong Kong Aims to Surpass Switzerland as Global Wealth Management Hub by 2027

Christopher Hui, Secretary for Financial Services and the Treasury, forecasts Hong Kong's ascendance to the world's largest wealth management center, surpassing Switzerland by 2027. Highlighting Hong Kong's growing appeal for foreign investments, Hui outlined government initiatives to streamline business incorporation processes and enhance service quality. New legislative proposals aim to attract overseas companies by simplifying regulatory frameworks and offering competitive tax advantages. Hui emphasized Hong Kong's strategic advantages amidst global shifts towards stricter compliance and taxation standards, positioning the city as an attractive destination for international businesses seeking stability and favorable economic conditions. [RTHK](#), Jul 8

Foreign Policy / International Relations

Hong Kong Assures Adherence to Sanctions Amid Ukrainian Diplomat's Concerns

Hong Kong Chief Executive John Lee assured Ukrainian Foreign Minister Dmytro Kuleba that the city adheres to global sanctions and the rule of law. Kuleba, who visited Hong Kong as part of a tour of China, urged Lee to prevent Russia from using Hong Kong to evade Western sanctions imposed due to its invasion of Ukraine. While Hong Kong enforces UN Security Council sanctions, Russia itself is not on the sanctions list. Kuleba's concerns follow a report suggesting Hong Kong might be facilitating trade in items crucial for Russia's war effort. Lee emphasized Hong Kong's commitment to legal compliance and respect for international sanctions. [SCMP](#), Jul 26

US Stance on Hong Kong Unlikely to Change Under Harris

Experts believe the US stance on Hong Kong will remain unchanged if Kamala Harris becomes president, due to the bipartisan nature of US-China competition and Harris' limited foreign affairs experience. Analysts highlight that competition over issues like Taiwan and the South China Sea will persist regardless of the president. Although Harris has co-sponsored the Hong Kong Human Rights and Democracy Act and advocated for human rights as a senator, her foreign policy is expected to closely mirror President Joe Biden's. Harris' own views on China and Hong Kong are not well-documented, and continuity in policy is anticipated with many current officials likely to remain in their roles. [SCMP](#), Jul 22

Outgoing Diplomat Emphasizes Continued HK-EU Cooperation Despite Geopolitical Tensions

Thomas Gnocchi, the outgoing head of the EU office in Hong Kong, stressed the importance of maintaining strong ties between Hong Kong and Europe, despite recent geopolitical challenges. He asserted that ASEAN and Middle Eastern countries cannot replace the economic relationship Hong Kong has with the EU. Gnocchi highlighted the need for Hong Kong to uphold its unique attributes to remain attractive to businesses and emphasized areas for potential cooperation, such as sustainability, green finance, and education. He also noted a decline in European companies and fewer local stakeholders willing to engage with the EU office, attributing this to political changes and the COVID-19 pandemic. Gnocchi will soon leave his post, to be succeeded by Harvey Rouse.

[SCMP](#), Jul 22

Hong Kong Criticizes US Politicians' Call for Sanctions on Officials

Hong Kong has condemned a call by US politicians for sanctions against its officials, denouncing the move as "despicable political manipulation" aimed at intimidating those safeguarding national security. The criticism follows a letter from US politicians urging sanctions over the enactment of Hong Kong's national security law and the conviction of over 40 opposition figures. The Hong Kong government accused the US of gross interference and hypocrisy, asserting that it would continue to uphold national security despite the sanctions threat. The proposed sanction list includes high-profile figures such as Secretary for Justice Paul Lam and Chief Justice Andrew Cheung.

[SCMP](#), Jul 19

Chinese Commissioner's Office Condemns US Criticism of Hong Kong's Democratic Situation

The Commissioner's Office of the Chinese Foreign Ministry in Hong Kong strongly criticized the US consulate general for allegedly slandering Hong Kong's democratic situation. This condemnation arose during discussions at the UN Human Rights Council regarding China's review, where the US consulate was accused of undermining China's policies towards Hong Kong. The Commissioner's Office emphasized that Hong Kong, under the national security law and new electoral system, has achieved better governance, protected rights and freedoms according to the law, and returned to the principles of "one country, two systems". Despite international rankings affirming Hong Kong's unique advantages, the spokesperson accused the US of disregarding these realities and violating diplomatic norms by interfering in Hong Kong affairs. The Commissioner's Office urged the US to cease such interference and respect international principles of non-interference in internal affairs. [CD](#), Jul 7

Mainland

National Security Laws Align with Hong Kong's Needs, Says Commissioner

Cui Jianchun, the new commissioner of the Ministry of Foreign Affairs in Hong Kong, affirmed that the national security laws are suitable for the "one country, two systems" framework and are essential for promoting a stable environment. Speaking at his inaugural press conference, Cui highlighted that no foreign consuls in Hong Kong have opposed these laws or supported sanctions against officials. He emphasized that Hong Kong's national security laws are mild compared to other countries' and are necessary for maintaining order and a favorable business environment. Cui also stressed the importance of Hong Kong's independent judicial system and its role in the global economy. He called for increased efforts to enhance Hong Kong's market economy and join the Regional Comprehensive Economic Partnership (RCEP) to further the city's development. [China Daily](#) [RTHK](#) [The Standard](#), Jul 30

Beijing Supports Hong Kong's Efforts to Attract Global Talent

Beijing has endorsed Hong Kong's goal to become an international hub for high-end talent, enhancing its status as a finance, maritime, and trading center. This aligns with national strategies to attract foreign capital and talent, and integrates the Greater Bay Area, linking Hong Kong, Macau, and nine southern mainland cities. New measures include multi-entry permits for non-Chinese nationals with Hong Kong or Macau residency to ease cross-border mobility. Hong Kong's Top Talent Pass Scheme has received over 77,000 applications, promising economic benefits. Further efforts, such as scholarships, are needed to ensure talent settles and contributes to the local economy. [SCMP](#), Jul 21

Domestic Policy / Politics / Law

The Tightening Noose on Hong Kong's Press Freedom

Selina Cheng, recently appointed chair of the Hong Kong Journalists Association (HKJA), was dismissed from the Wall Street Journal after refusing to step down from her HKJA role, which her employer deemed incompatible. Dow Jones cited restructuring, but many suspect her dismissal was linked to her HKJA involvement. The HKJA remains a vocal advocate for press freedom despite the government's crackdown on dissent. Chinese state media has labeled the HKJA a threat, increasing risks for its members. With the closure of pro-democracy tabloid Apple Daily and vague sedition and national-security laws, Hong Kong's press freedom ranking has plummeted, fostering a culture of self-censorship among journalists. [The Economist](#), Jul 24

Hong Kong Considers Adjusting Housing Ratio to Boost Private Sector Role

Hong Kong authorities are contemplating a shift from the current 70-30 public-private housing ratio, potentially moving to a 50-50 split in some areas once waiting times for public rental flats decrease. This change, driven by increased calls from developers and the business sector, aims to allow more private sector involvement in housing development. Current data shows about 53% of residents live in private housing. The proposed adjustment could lower home prices and provide more affordable housing, though it might also impact the city's economy and public revenue. [SCMP](#), Jul 22

Uncertainty at Hong Kong Book Fair as More Titles Removed Amid Complaints

Local publisher Bbluesky was advised to remove five titles from the 2024 Hong Kong Book Fair due to complaints and "sensitive" content. Leslie Ng of Bbluesky expressed frustration over the vague guidelines from the Hong Kong Trade Development Council (HKTDC), stating, "We don't know where the line is." Despite removing four titles, Bbluesky retained Allan Au's "Turbulence," arguing it contained no sensitive material. The HKTDC's lack of clear criteria and case-by-case handling of complaints has raised concerns among exhibitors about future participation and compliance with the fair's regulations. This year's book fair is the first since Article 23 came into effect this March. [HKFP](#), Jul 22

Hong Kong Lawmakers Propose Training Civil Force to Counter Western Human Rights Criticism

Hong Kong lawmakers have proposed creating a "civil force" of non-government actors, including businesspeople, athletes, and artists, to counter Western criticism of the city's human rights record. This suggestion comes in response to ongoing criticism following Beijing's imposition of the national security law

in 2020. Chief Secretary Eric Chan, who recently presented a government report to the United Nations Human Rights Council, noted that the government accepted some UN recommendations but rejected others, citing misinformation. Lawmakers praised Chan's efforts in defending Hong Kong's human rights record and emphasized the need for civil society to be equipped with information to effectively respond to international criticism. [HKFP](#), Jul 15

Hong Kong's National Security Challenges: Threats Evolve Underground into Arts and Extremism

Deputy Police Commissioner Andrew Kan of Hong Kong's National Security Department issued a stark warning about evolving security threats, which he noted had shifted into underground networks within the arts and extremism domains. Despite the implementation of stringent security laws since 2020, Kan emphasized ongoing risks fueled by foreign interference and what he termed as "soft resistance." He highlighted concerns over subtle forms of dissent in media, arts, and education, cautioning against activities that could potentially breach national security laws despite appearing lawful on the surface. [HKFP](#), Jul 8

Economy

Hong Kong to Tackle Housing Crisis with Regulation and Rent Increases

Hong Kong will begin regulating high-risk subdivided flats in phases, prioritizing the most hazardous homes, according to Housing Secretary Winnie Ho Wing-yin. The regulations will be publicly debated and enforced once temporary housing is available, focusing initially on districts with severe issues to prevent homelessness. By 2026-27, the government plans to provide 30,000 temporary homes and 19,000 transitional homes. New standards aim to eliminate unsafe living conditions, with landlords facing penalties for non-compliance post-contract. This initiative aligns with Beijing's mandate to improve living conditions by 2049. Simultaneously, public housing tenants in Hong Kong will face a 10% rent increase starting October 2024, with hikes ranging from HK\$49 to HK\$572 per month. The Housing Authority will allow exemptions for some tenants until the following year, but wealthier tenants will pay the new rates immediately. This follows a previous 1.17% increase in 2022, which was partially waived due to Covid-19 impacts. The Subsidised Housing Committee has yet to approve the new rent arrangement. [SCMP1](#), [SCMP2](#), Jul 29, 8

Hong Kong Must Embrace Reform to Enhance Its Economic Role, Urges Xia Baolong

Beijing's top official on Hong Kong affairs, Xia Baolong, has called for Hong Kong to recognize and adapt to significant shifts in its internal and external environments. In a recent meeting with Financial Secretary Paul Chan Mo-po, Xia emphasized the need for Hong Kong to reform its economy and leverage its strengths to maintain its status as a global financial hub. He urged Hong Kong to focus on transforming its financial, shipping, trade, and talent sectors to enhance its competitive edge. Xia also highlighted the importance of integrating more closely with the Greater Bay Area and supporting China's broader global economic initiatives. The central government has pledged full support to help Hong Kong consolidate its advantages and navigate financial and economic challenges effectively. [SCMP](#), Jul 23

Hong Kong to Enhance Southeast Asian Infrastructure and Business Opportunities

Hong Kong plans to leverage its financial expertise to boost infrastructure projects in Vietnam, Cambodia, and Laos, utilizing its strengths in accounting, finance, taxation, legal matters, and construction. The city offers diverse financing options, including equity listings, syndicate loans, private equity funds, and bonds. Business leaders, led by Chief Executive John Lee, are optimistic about Cambodia's new leadership under Prime Minister Hun Manet, who is expected to adopt pro-trade policies. This initiative forms part of a "China Plus One" strategy, aiming to position Hong Kong as a key player in regional development and business expansion. [RTHK](#), [SCMP](#) Jul 23

A Crucial Tech Investment for Economic Diversification

Hong Kong is heavily investing in technology and industrial sectors to diversify its service-oriented economy, influenced by global trends seen in the US and China. Economic shocks from past crises exposed the city's vulnerabilities, prompting major initiatives. These include large-scale science parks, substantial funding for tech enterprises, and policies to attract top talent. Key projects like the San Tin Technopole and the Hong Kong-Shenzhen Innovation and Technology Park aim to provide essential infrastructure. Success depends on the market's response to these bold investments and policy changes. [SCMP](#), Jul 21

Hong Kong Woos Back Chinese Millionaires Amid Singapore's Stricter Scrutiny

Hong Kong is reclaiming its status as a preferred destination for wealthy Chinese individuals, as Singapore intensifies scrutiny over foreign wealth following a significant money laundering scandal. Hong Kong's initiatives such as family office tax incentives and visa programs have attracted approximately 200 high-net-worth individuals this year, marking a reversal from previous years of outflow. Meanwhile, Singapore's tightened regulations have deterred some wealthy Chinese, prompting them to reconsider Hong Kong due to its favorable business environment and relaxed capital flow policies. [FMT](#), Jul 9

Hong Kong's Financial Resilience: Handling HK\$31 Trillion in Assets in 2023

Financial Secretary Paul Chan Mo-po highlighted Hong Kong's robust management of over HK\$31 trillion in assets in 2023, showcasing a 2.1% growth and reinforcing its status as Asia's second-largest private equity center. Despite geopolitical tensions, Chan emphasized sustained investor confidence, bolstered by significant capital inflows and expansions in the asset management sector. The city's appeal remains strong, supported by its efficient financial market, global status, and attractive investment environment. [SCMP](#), Jul 7

Hong Kong Restaurants Grapple with Cross-Border Exodus to Shenzhen, Economic Challenges

Local eateries in Hong Kong are feeling the pinch as residents increasingly opt for budget-friendly dining across the border in Shenzhen. The trend, exacerbated by pandemic recovery challenges, has forced many restaurants to adapt or close. Despite government assurances of economic resilience, restaurateurs like Emma and Wai have had to switch to cheaper menu options to survive. The shift in consumer spending habits and the allure of lower prices abroad continue to pose significant challenges to Hong Kong's dining industry. [HKFP](#), Jul 7

Ex-Justice Chief Warns Foreign Law Firms: Leaving Hong Kong Will Be Regrettable

Former justice minister Teresa Cheng asserted that foreign law firms exiting Hong Kong will regret their decision, emphasizing the city's strategic importance for international transactions involving Asian parties. Despite a 21% decline in registered foreign law firms since 2020, Cheng highlighted Hong Kong's robust legal system, strong backing from mainland China, and appeal to international clients. She dismissed rivalry with Singapore in arbitration, citing Hong Kong's unique advantages under the "one country, two systems" framework and its significant role in the Belt and Road Initiative. Cheng remains confident in Hong Kong's judicial independence and its continued relevance to both Western and developing country clients. [SCMP](#), Jul 6

Hong Kong Chief Draws City Closer to China to Boost Economy

Hong Kong Chief Executive John Lee recently outlined initiatives to strengthen ties with mainland China, aiming to rejuvenate the city's economy following pandemic-related setbacks and declining tourism. Key measures include extended travel privileges for non-Chinese residents and the forthcoming arrival of pandas, seen as tourist attractions. These steps align with China's broader economic strategy, particularly through the Greater Bay Area integration, which includes Macau and nine mainland cities. Despite challenges like reduced retail sales and economic uncertainties, Lee urged Hong Kong to innovate and adapt amid evolving global economic conditions. [BT](#), Jul 2

Cultural / Education / Science / Social

Hong Kong Official Compares Patriotic Education to Dating

Hong Kong's Chief Secretary Eric Chan likened patriotic education to dating during a radio interview, emphasizing the importance of understanding and genuinely loving one's country. Chan stated that patriotic education should not be "hard sold," but should come from the heart, similar to how one develops love for a partner. He highlighted the efforts of the government's Working Group on Patriotic Education, led by lawmaker Starry Lee, which focuses on integrating patriotism into school curricula and media. With China's National Day approaching, Chan mentioned planned district-wide celebrations to promote patriotic education. He also defended recent security laws, describing them as necessary "medicine" to counteract anti-China sentiments and ensure societal stability. [HKFP](#), Jul 15

Macao

Can Macau's Economic Diversification Plan Ensure Sustainable Growth?

Macau is transitioning from a gaming-dominated economy to a diversified one, aiming for non-gaming sectors to contribute 60% of GDP by 2028 through the "1+4 model" (healthcare, finance, technology, and events). The 2023 gaming law mandates casino operators focus on non-gaming ventures to secure future licenses. Inspired by Las Vegas' success in economic diversification, Macau is enhancing its non-gaming attractions. Despite challenges like new regional competition from Japan, increased collaboration between the Macau government and gaming operators aims to sustain this diversification and achieve long-term economic stability. [MB](#), Jul 21

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