

# NEWS WRAP

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Under British sovereignty, Hong Kong was a British colony, enjoying limited self-rule. Democracy was never showered on Hong Kong by Britain, though strong institutions of an independent judiciary and a free press had developed. As a “special administrative region” of China for the last ten years (since 1997), Hong Kong is now under Chinese sovereignty, and has preserved its “way of life” as a genuine global city. Under China's president Jiang Zemin, Hong Kong remained capitalist, under the formula of “one country, two systems”. The other formula of “Hong Kong people ruling Hong Kong” has been tampered by China's efforts to manipulate elections in favour of “pro-China” candidates in elections to Hong Kong's legislature, and those of the “chief executive” of the region. Excluding foreign affairs, defence and national security, Hong Kong would enjoy autonomy in the economic and political system, until 2047. An “election committee” re-elected in March 07, Donald Tsang as chief executive. The “election committee”, consisting of about 800 people ensured that the Beijing government's candidate wins. But policy making and implementation are hampered by the absence of a constitutional link between the legislature and the chief executive, his advisory “executive council” and the civil service.

As the Court of Final Appeal (CFA) in Hong Kong, between July 1997 and end 2006, about 800 applications for appeal and about 300 substantive appeals were received, compared with just 103 appeals to the former Privy Council, received in the earlier decade. Certain elements continue to exercise their freedom in Hong Kong. Proselytisation is conducted in Hong Kong by the Falun Gong religious sect, which is banned on the mainland. Labour activists like Han Dongtang, who had participated in the 1989 Tiananmen protests, live and function in Hong Kong's Victoria Park on June 4th every year, to commemorate the loss of lives in Tiananmen. On 01 July 03, thousands protested against planned anti-subversion legislation.

The first decade of autonomous rule in Hong Kong, has been marked by recession and a falling GDP, affected by the sharp devaluation of Thailand's currency (1997-98), the bursting of the dotcom bubble in USA (1999-2000), and the outbreak of SARS in China (2003). Recovery has set in over the last three years. The economy grew by 7.5% in 2005, and 6.9% in 2006. Post-1997, trade has increased by two-thirds. Hong Kong ranks as the world's third biggest air-cargo hub, and the second-biggest container port. The Hong Kong dollar has been pegged to the US dollar, since October 1983. There was deflation and falling asset prices for five years from 1997-98. There were fiscal deficits since 1998, and with the recession, expenditure as a percentage of GDP increased. Fiscal deficits disappeared in 2006, and government spending was about 17% of GDP, compared with an average of over 40% by the OECD countries. Since the 1980s, the Hong Kong economy began integrating with the Chinese economy. Hong Kong firms employ about twelve million people, in China, and Hong Kong remains the largest investor in China. Despite a loss of market share to mainland ports, Hong Kong's share of China's trade has doubled since 1996, to \$ 300

billion, in 2006. 73% of Hong Kong's of HK \$ 369 billion capital raised in initial public offerings, was raised by mainland enterprises. About 367 mainland companies had listed shares in Hong Kong, at the end of 2006. Hong Kong continues to be an “economic city”, without being a “political city”.

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Laos has numerous mountains and rivers, but it is one of the poorest countries of Asia. The Mekong river in Laos has already seven dams. There are eleven more dams under construction, including the huge 1088 mw Nam Theun 2 project. With the objective of selling electricity to Cambodia, Thailand and Vietnam, the Laos government in 2006, had signed an agreement with Mega First of Malaysia, for erecting a barrage across the Hou Sahong channel of the Mekong river, close to the Cambodian border. The 240 mw hydro electric dam is being opposed by green campaigners and certain Laos government officials. There are bypass waterfalls between Laos and Cambodia which are used as a channel by more than 200 species of migratory fish, like the big catfish. Fisheries experts feel that the project might block the fish channels. Certain officials would like the wetlands to be included in the Ramsay Convention international treaty, which protects such areas. The limited financial gains from power supply to Laos' neighbours is losing significance compared to the threats to the eco-system and potential deprivation of local livelihoods.

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A loan of Rs 1061 crores from the Asian Development Bank (ADB), for “sustainable urban development projects” in five cities of Kerala, was renegotiated by the Kerala government at the beginning of 2007. The revised agreement clauses envisage charging user fees for drinking water, sewerage and solid waste disposal, and increasing rates by 22%, once in three years. Presently the Left Front Kerala government is renegotiating with the World Bank for amending certain terms to a Rs 1200 crore loans, for ongoing rural water supply and sanitation projects. None of the gram panchayats are keen on public water taps for tears of water meters and misuse of water with the purpose of “bathing cows”. The fresh suggestions would allow the gram panchayat alone to decide whether there should be a public user tap in the panchayat area. 75% cost of the water supply will be covered by the World Bank project, and 10% by the gram panchayats. The Kerala government now aims to reduce to 10% (earlier 15%) of the water tax for the common category, and 5% for SCs, STs and fishermen. The state wants to collect 1% in cash of the 5%, and the balance of 4% as manual labour. The Kerala government has proposed that the outlays be monitored by the autonomous Kerala Rural Water Supply Agency, the gram panchayats, and the beneficiary groups. □□□