



Battle for chief executive just gets more ridiculous

There were further indications over the weekend just how ridiculous Hong Kong's chief executive "election" is becoming. First we had the excitement in Beijing at the Chinese People's Political Consultative Conference when Vice-President Xi Jinping shook hands with C.Y. Leung's supporters ahead of those supporting Henry Tang Ying-yen. Some say this is a sign of Beijing's preference. But we are reminded of the story of the man who was given two ties for Christmas by his wife. When he put one on, his wife remarked, "Oh so you don't like the other one."



Henry Tang

Hundreds of voters in this election waiting for a handshake or a nod, for guidance as to how they should vote, are now wondering if that was it. Yesterday, Allan Zeman said it would be okay if Tang "won" the election if he got to within 20 percentage points of Leung in the opinion polls. That comment would be absurd in any context other than this election. Tang was busy over the weekend extolling his virtues, telling a newspaper about his vast experience in office and that he turned a HK\$60 billion deficit into a surplus when he was financial secretary. The period Tang refers to was during Sars (severe acute respiratory syndrome) when much of the economy ground to a halt. The economy rebounded with alacrity the following year but to

attribute this to the ingenuity of the incumbent financial secretary is a bit of a stretch. By the same token, when Henry stepped down as financial secretary, the budget surplus accelerated from HK\$14 billion to HK\$124 billion. Does he want to take credit for that?

It's OK to be rich, but not that rich

We read of eye-watering wealth accumulation by the mainland's politicians. The 70 richest members of the People's National Congress rose to 565.8 billion yuan (HK\$696.33 billion), according to Bloomberg. Astonishingly this is more than 10 times the combined net worth of the 535 members of the US Congress, the president and his cabinet and the nine Supreme Court justices. There is of course nothing wrong with mainland politicians being richer than those in the US. But in a country where per capita annual income is US\$2,425, compared to US\$37,527 in the US, the imbalance is staggering. Maybe if Deng Xiaoping was alive, he would put a cap on his famous aphorism and change it to something like, "To get rich is glorious, but not that rich".

Tide of turbulence

Aside from giving us all queasy stomachs, another result of all that turbulence in markets last year was that turnover in derivatives contracts on exchanges reached a record level. About 24 billion in derivatives contracts were traded on exchanges in 2011 compared with 22 billion in 2010, according to a report from the World Federation of Exchanges, cited by *Financial News*. The report adds that the growth is mostly due to an increase in volumes in stock index options and futures, as well as in ETF options, as traders looked to hedge their positions amid volatility and global uncertainty. As for equity markets, turnover was stable at US\$63 trillion

but global market capitalisation fell 13.6 per cent to US\$47 trillion, which is about the same as for 2009. The only exchanges which increased market capitalisation last year were those in Ireland, the Philippines, Indonesia, and Mauritius.

Volkswagen of supercars

Those of you who follow these things will know that while things have been looking up for hedge fund managers in recent months, they haven't been so good over the past 12 months and have had to rein in on their generosity to themselves in terms of bonuses. So how do they survive in such relatively straightened circumstances? Take the case of Richard Scheiner. The 58-year-old real-estate investor and hedge-fund manager told Bloomberg that he spends about US\$500 a month to park one of his two Audis in a garage and at least US\$7,500 a year each for memberships at the Trump National Golf Club and a gun club in upstate New York. He also pays US\$17,000 a year for food, health care, boarding and a daily dog-walker (who charges US\$17 each per outing) to look after a labradoodle named Zelda and a rescued bichon frise named Duke. But to make ends meet, he has sold two motorcycles he doesn't use and makes do with his Porsche 911 Carrera 4S Cabriolet, which he called "the Volkswagen of supercars", Bloomberg said.

Charity website

We regret that in our piece last Saturday about March being epilepsy awareness month, there was an error in the website of the charity Enlighten-Action for Epilepsy. The correct address is www.enlightenhk.org

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Have you got any stories that Lai See should know about? E-mail them to howard.winn@scmp.com