Assessing the New Chief Executive

Michael E. DeGolyer
Director, Hong Kong Transition Project†
Professor of Government & International Studies

The results in this report are primarily from a survey conducted 23-31 May 2005. The survey asked respondents about their views regarding Chief Executive candidates and asked, among other questions, for respondents' satisfaction with Donald Tsang's performance while acting Chief Executive from March to May. It compares how Donald Tsang is handling a variety of issues with how Tung Chee-hwa handled the same issues. The RANDOM sample survey was of 829 permanent residents. Their views represent those of the community of permanent residents. The FC survey contacted 376 registered FC voters, 332 of whom said they voted in the September 2004 Legco election. The FC VOTERS discussed below are the responses of these 332 FC voters. These may be taken to represent the views of Hong Kong's active elites.

I Comparing the former and forthcoming Chief Executive's performance

Table 1 and 2 show the results of the RANDOM respondent's satisfaction with Tsang's performance and the FC VOTERS satisfaction respectively. The rankings differ somewhat, with RANDOM respondents expressing most satisfaction with Tsang's performance handling relations with Beijing and Legco. FC Voters ranked Tsang's performance handling the civil service, the public in general and the media as joint first (Table 2). Both groups expressed the least satisfaction with Tsang's West Kowloon Cultural District consultations.

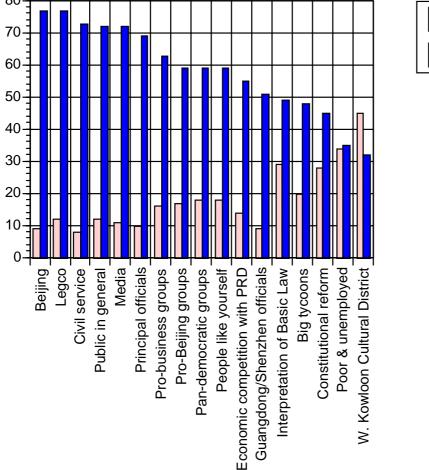
Tables 3 and 4 compare dissatisfaction and satisfaction, using the FC VOTERS responses to rank the results. Only one group, FC VOTERS, shows a majority dissatisfied with Tsang's performance on an issue, and that issue is the West Kowloon Cultural District consultations. That issue also sees 45 percent dissatisfied versus 30 percent satisfied with Tsang's performance among the RANDOM sample. In Table 3 FC VOTERS and RANDOM sample respondents disagree on their next to most dissatisfied aspect of Tsang's performance, with 34 percent of RANDOM sample respondents ranking this handling of the poor and unemployed as the second most dissatisfying while 47 percent of FC VOTERS rank consultations on constitutional reform as second most dissatisfying.

Given that FC voters will have the most say in constitutional reforms, and the most to gain or lose by them, the difference in their assessment of Tsang's performance in handling them from the RANDOM sample is striking. As the accompanying December survey report shows, ("Constitutional Reform Survey 2005") and as seen in this May survey, FC voters are actually more supportive of democratic reforms to elections than geographic constituency voters, though both in large majorities support full direct election of Chief Executive and all Legco members.

†See end of report for details on the Hong Kong Transition Project and for survey methods, number of respondents, etc. The project is headquartered at Hong Kong Baptist University, with members there, University of Macau, City University, Lingnan University and the University of Waterloo in Canada.

Table 1 RANDOM In general, are you satisfied or dissatisfied with the performance of Donald Tsang in handling relations with: Ranked Most to least satisfied*

Donald Tsang in handling relations with: Ranked, Most to least satisfied*						
	Rank in	Very	Somewhat	Somewhat	Very	DK
	satisfaction	dissatisfied	dissatisfied	satisfied	satisfied	
Beijing	1	1	8	71	6	14
Legco	1	1	11	72	5	12
Civil service	2		8	64	9	19
Public in general	3	1	11	69	3	14
Media	3	1	10	68	4	17
Principal officials	4	1	9	65	5	20
Pro-business groups	5	2	14	60	3	21
Pro-Beijing groups	6	2	15	55	4	25
Pan-democratic groups	6	1	17	57	2	24
People like yourself	6	3	15	56	3	22
Economic competition with	7	2	12	52	3	31
Pearl River Delta						
Guangdong/Shenzhen	8		9	46	5	39
officials						
Interpretation of Basic Law	9	8	21	45	4	22
by NPC Standing Committee						
Big tycoons	10	4	16	44	4	31
Consultations on	11	5	23	42	3	27
constitutional reform						
Poor & unemployed	12	5	29	32	3	31
Consultations on W. Kowloon	13	12	33	28	2	25
Cultural District						
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^{*}Rankings are determined by collapsing somewhat and very satisfied categories.

Table 2 FC VOTERS In general, are you satisfied or dissatisfied with the performance of Donald Tsang in handling relations with: Ranked, Most satisfied to least satisfied.

8	Rank in	Very	Somewhat	Somewhat	Very	DK
	satisfaction	dissatisfied	dissatisfied	satisfied	satisfied	
Civil service	1	1	10	66	8	15
Public in general	1	2	12	70	4	12
Media	1	2	12	70	4	12
Beijing	2	3	12	66	6	13
Legco	2	2	12	68	4	13
Principal officials	3	2	11	65	6	16
Pan-democratic groups	4	2	19	62	2	15
Pro-business groups	5	4	15	60	2	18
Pro-Beijing groups	5	2	19	58	4	18
People like yourself	6	3	20	57	2	17
Guangdong/Shenzhen officials	7	2	7	51	3	36
Economic competition with	8	3	16	50	2	29
Pearl River Delta						
Big tycoons	9	7	23	43	4	24
Interpretation of Basic Law by	10	13	28	39	4	16
NPC Standing Committee						
Poor & unemployed	11	6	28	35	2	30
Consultations on constitutional	12	10	37	33	2	18
reform						
Consultations on W. Kowloon	13	21	39	24	2	14
Cultural District						
80						

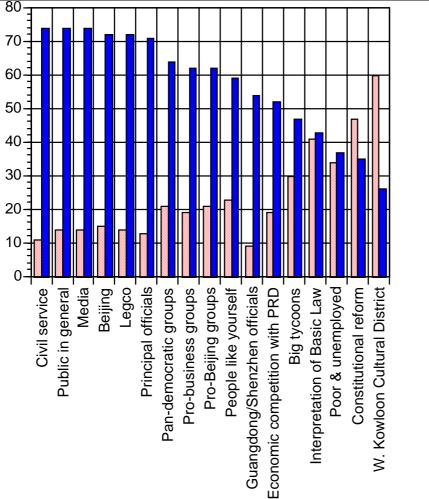




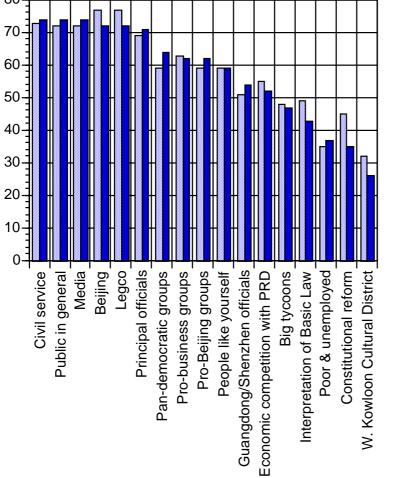
Table 3 Comparative Dissatisfac	Table 3 Comparative Dissatisfaction with Tsang's performance, Ranked by FC voter*					
	Dissatisfied Random	Dissatisfied FC voters				
W. Kowloon Cultural District	45	60				
Constitutional reform	28	47				
Interpretation of Basic Law	29	41				
Poor & unemployed	34	34				
Big tycoons	20	30				
People like yourself	18	23				
Pro-Beijing groups	17	21				
Pan-democratic groups	18	21				
Pro-business groups	16	19				
Economic competition with PRD	14	19				
Beijing	9	15				
Legco	12	14				
Public in general	12	14				
Media	11	14				
Principal officials	10	13				
Civil service	8	11				
Guangdong/Shenzhen officials	9	9				
60						
3		Dissatisfied Random				
50						
~~~ <u> </u>		Dissatisfied FC voters				
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W. Kowloon Cultural District Constitutional reform Interpretation of Basic Law Poor & unemployed Big tycoons People like yourself Pro-Beijing groups Pan-democratic groups Pro-business groups Pro-business groups	Beijing Legco Public in general Media Principal officials Civil service Guangdong/Shenzhen officials					
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^{*}Responses of the FC voters determined rank order. Dissatisfaction came second among Random sample but fourth among FC voters, for example.

Satisfaction differed most on constitutional reform, with FC voters significantly less satisfied than the Random group.

Table 4 Comparative Satisfaction with Tsang's performance, Ranked by FC voters

	Satisfied Random	Satisfied FC voters
Civil service	73	74
Public in general	72	74
Media	72	74
Beijing	77	72
Legco	77	72
Principal officials	69	71
Pan-democratic groups	59	64
Pro-business groups	63	62
Pro-Beijing groups	59	62
People like yourself	59	59
Guangdong/Shenzhen officials	51	54
Economic competition with PRD	55	52
Big tycoons	48	47
Interpretation of Basic Law	49	43
Poor & unemployed	35	37
Constitutional reform	45	35
W. Kowloon Cultural District	32	26

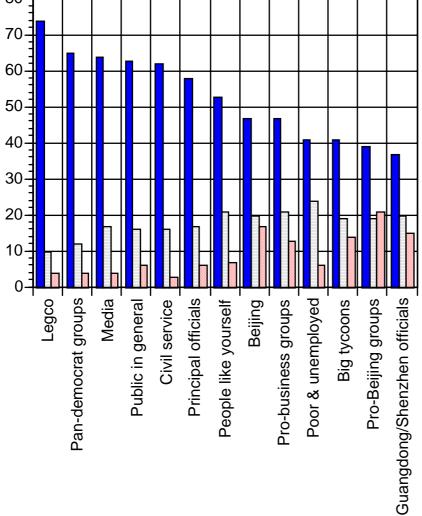




Among the Random sample, six issues fell below a majority feeling Tsang is performing better than Tung. On no issue, however, is Tsang's handling considered worse than Tung's.

Table 5 RANDOM In comparison with Tung Chee-hwa, how well do you think Donald

Tsang is handling		-		nked	_					
	Rank	Much		Some	what	Same	Somewhat	t	Much	DK
		better		better			worse		worse	
Legco	1	5		69		10	3		1	13
Pan-democrat groups	2	4		61		12	3		1	19
Media	3	4		60		17	3		1	15
Public in general	4	4		59		16	5		1	16
Civil service	5	7		55		16	2		1	18
Principal officials	6	4		54		17	5		1	17
People like yourself	7	3		50		21	6		1	19
Beijing	8	3	_	44		20	16		1	16
Pro-business groups	8	3		44		21	11		2	19
Poor & unemployed	10	2		39		24	5		1	29
Big tycoons	11	3	_	38		19	13		1	26
Pro-Beijing groups	12	2	_	37		19	20		1	21
Guangdong/Shenzhen	13	2		35		20	14		1	27
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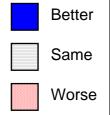


Table 6 FC VOTERS In comparison with Tung Chee-hwa, how well do you think

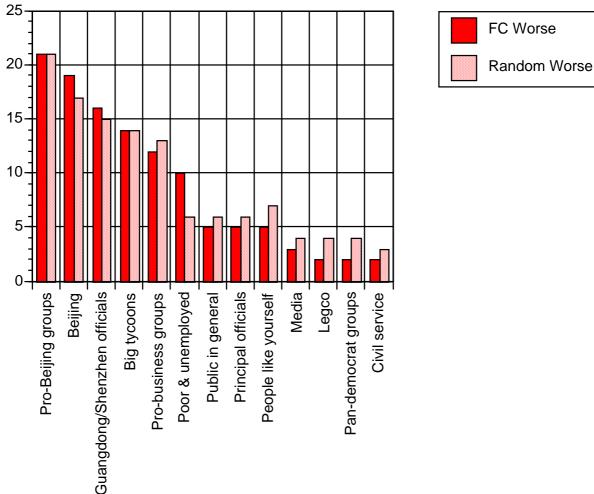
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Donald Tsang is handling relations with: Ranked, Better to worse							
	Rank	Much	Somewhat	Same	Somewhat	Much	DK
		better	better		worse	worse	
Legco	1	6	72	8	1	1	13
Pan-democrat groups	2	5	68	12	1	1	13
Media	3	7	63	14	2	1	14
Civil service	3	8	62	13	1	1	16
Public in general	4	4	60	18	4	1	14
Principal officials	5	4	57	17	4	1	17
People like yourself	6	3	48	26	4	1	18
Pro-business groups	7	3	40	29	11	1	16
Beijing	8	3	37	26	18	1	16
Pro-Beijing groups	9	2	36	24	20	1	18
Poor & unemployed	10	2 2	34	31	8	2	25
Guangdong/Shenzhen officials	11	2	34	23	15	L	25
Big tycoons	11	3	33	30	12	2	21
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FC voters also show on six issues that less than a majority concur that Tsang is handling an issue better than Tung. On no issue is Tsang's handling considered worse than Tung's. Tables 7 and 8 put the Random and FC Voters results side by side.

Table 7 Comparative Tsang's handling as worse than Tung's, ranked by FC voters

	FC Worse	Random Worse
Pro-Beijing groups	21	21
Beijing	19	17
Guangdong/Shenzhen officials	16	15
Big tycoons	14	14
Pro-business groups	12	13
Poor & unemployed	10	6
Public in general	5	6
Principal officials	5	6
People like yourself	5	7
Media	3	4
Legco	2	4
Pan-democrat groups	2	4
Civil service	2	3
0.5		



More among the privileged FC elite (see attached report on income differences) consider Tsang's handling of poor and unemployed persons as worse than Tung's than among the Random sample, which is dominated by those less well off than most FC voters. Still, it is only 10 percent of FC voters versus 6 percent of the Random sample. This shows a remarkable consensus across wide income, gender, and occupation lines.

Table 8 Ranked by FC Voters, Comparative of Tsang's handling as better than Tung's

Table 8 Ranked by FC Voters,	Comparative	e of Tsang's handli	ng as better than Tung's
	FC Better	Random Better	
Legco	78	74	
Pan-democrat groups	73	65	
Media	70	64	
Civil service	70	62	
Public in general	64	63	
Principal officials	61	58	
People like yourself	51	53	
Pro-business groups	43	47	
Beijing	40	47	
Pro-Beijing groups	38	39	
Poor & unemployed	36	41	
Guangdong/Shenzhen officials	36	37	
Big tycoons	36	41	
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#### II Attitudes on the arrangements for the 2005 Chief Executive Election

Table 9 indicates that opinion is still very divided, especially among FC voters, on the Standing Committee's intervention to set the term of office as the remainder of Tung's original term, or two years instead of the five years for each CE upon election. The five year term was the unanimous understanding of the Basic Law inside Hong Kong prior to the SC interpretation. While 49 percent of the Random sample see the ruling as reasonable, only 43

percent of FC voters concur. While just 28 percent of the Randoms see it as unreasonable, 43 percent or the same proportion as deem it reasonable among FC voters, deem it unreasonable.

Table 9 Do you think the NPC Standing Committee interpretation on the Chief Executive's term of office is generally reasonable or unreasonable?

<u> </u>					
	FC voters	Random			
Very reasonable	7	7			
Reasonable	36	42			
Unreasonable	31	22			
Very unreasonable	12	6			
No opinion	14	16			
Not heard about it/DK	1	7			

A clear majority of FC voters are dissatisfied with the Election Committee having three in four of its members elected by FC voters, 58% dissatisfied while the Random sample is more accepting of the arrangements, at 43 percent dissatisfied. The intensity of dissatisfaction is considerably higher among FC voters as well, with 17 percent very dissatisfied versus 10 percent very dissatisfied among the Random sample.

Table 10 Are you satisfied or dissatisfied with the current Election Committee having three fourths of its members elected by Functional Constituency voters?

	FC voters	Random
Very dissatisfied	17	10
Somewhat dissatisfied	41	33
Somewhat satisfied	27	31
Very satisfied	4	3
No opinion/DK	12	23

While FC voters may oppose their dominating the Election Committee, they are much less opposed to continuing to allow business and professional groups via FCs special influence on government decision-making. While 58 percent were dissatisfied with the FCs returning three fourths of Election Committee members, Table 11 shows only 39 percent opposed FC special influence.

Table 11 Do you support or oppose continuing the practice of allowing business and professional groups special influence in government decision-making via functional constituencies?

	FC voters	Random
Strongly support	3	3
Support	49	40
Oppose	30	30
Strongly oppose	9	7
No opinion/DK	9	20

Looking forward to the reforms due before the next CE election in 2007, respondents from the two groups in Tables 12 A through G below showed an overall preference for direct election of the CE, though expanding the Election Committee to include all FC voters got majority acceptance.

Table 12 Would you find the following options for reforming the current 800-member CE Election Committee for the 2007 CE election acceptable or unacceptable?

#### A. REPLACE EC WITH DIRECT APPOINTMENT BY BEIJING OFFICIALS:

	Random	FC voters
Very unacceptable	41	53
Somewhat unacceptable	34	32
Somewhat acceptable	15	8
Very acceptable	3	3
DK	7	4

#### B. KEEP 800 MEMBERS ELECTED SAME AS NOW

	Random	FC voters
Very unacceptable	16	27
Somewhat unacceptable	29	39
Somewhat acceptable	42	27
Very acceptable	1	2
DK	11	5

#### C. EXPAND TO 1,600 MEMBERS

	Random	FC voters
Very unacceptable	12	19
Somewhat unacceptable	29	35
Somewhat acceptable	39	36
Very acceptable	4	3
DK	15	7

#### D. EXPAND TO 5,000 MEMBERS

	Random	FC voters
Very unacceptable	17	19
Somewhat unacceptable	33	39
Somewhat acceptable	28	28
Very acceptable	7	7
DK	16	8

#### E. ADD ALL 400 ELECTED DISTRICT COUNCIL MEMBERS TO EC

	Random	FC voters
Very unacceptable	9	15
Somewhat unacceptable	18	30
Somewhat acceptable	54	45
Very acceptable	4	5
DK	14	5

Only options E, F and G show a majority accepting such reform to the Election Committee, and option G has been ruled out by Beijing for the 2007 election.

#### F. EXPAND TO ALL REGISTERED FUNCTIONAL CONSTITUENCY VOTERS

	Random	FC voters
Very unacceptable	8	12
Somewhat unacceptable	17	26
Somewhat acceptable	53	48
Very acceptable	7	7
DK	15	7

## G. REPLACE WITH UNIVERSAL SUFFRAGE DIRECT ELECTION BY ALL HK VOTERS

	Random	FC voters
Very unacceptable	7	7
Somewhat unacceptable	12	13
Somewhat acceptable	27	20
Very acceptable	46	56
DK	8	4

Comparing the December survey on the preferences above, conducted before Tung resigned and before the Standing Committee intervention, there is now stronger support for universal suffrage direct election of the Chief Executive in the general population and possibly among FC voters. In December, 56 percent of Random sample and 63 percent of FC voters preferred direct election, in May, this rose to 62 percent of the Random sample (well above the 3 point +/- margin of error) and to 68 percent of the FC voters, within the 6 points +/-).

Table 13 Which of the 7 options would you MOST prefer?

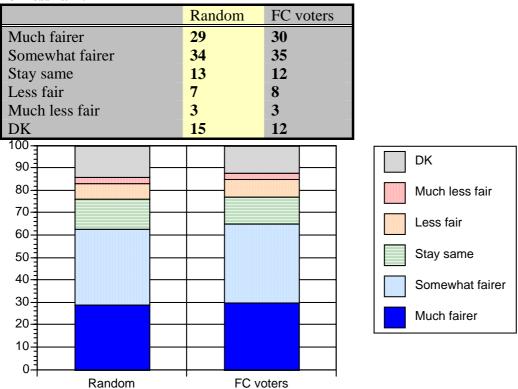
	Random	FC voters
Beijing appointment	5	3
Keep same as now	6	5
Expand to 1,600	4	4
Expand to 5,000	4	4
Add all 400 Dist Council members	5	2
Expand to all registered FC voters	5	8
Replace with universal suffrage direct election by all HK voters	62	68
DK	9	7

As to why respondents prefer one or another option or oppose others, Tables 14 and 15 indicate that respondents' perception of the fairness in making government policies currently very likely has much to do with it.

Table 14 Do you think government currently makes policies in general fairly, helping or hurting all parties equally, or unfairly, favoring the interests of some over others?

	Random	FC voters
Very fairly	2	2
Somewhat fairly	26	27
Somewhat unfairly	47	50
Very unfairly	7	9
DK	17	12

Table 15 Would direct election of the Chief Executive make government policies fairer or less fair?



In principle, there is even stronger support than that shown in Table 13 for direct election of the Chief Executive, as Table 16 shows.

Table 16 In principle, do you support or oppose direct election of the Chief Executive?

Random FC voters

	Kandom	FC voters		
Strongly support	33	45		
Support	42	34		
Neutral	6	2		
Oppose	11	13		
Strongly oppose	3	5		
No opinion/DK	4	1		
90				No opinion/DK
80				Strongly oppose
70 60				Oppose
50				Neutral
30				Support
20				Strongly support
10				
0 <del>.]</del> Rando	om .	FC vote	rs	

In terms of timing, a strong plurality of the respondents preferred 2007.

Table 17 When would you implement direct election of the Chief Executive?

	FC voters	Random
2007	42	41
2012	28	23
2017	3	3
Later	6	9
oppose/DK	21	24

For the present by-election, random sample respondents and FC voters overwhelmingly prefer a competitive election, as Table 18 shows. When asked who they would like to see compete for the election, responses varied considerably between the Random respondents and the FC voters, as Table 19 shows. However, of the currently declared candidates, Tsang is the overwhelming favorite, though FC voters approve somewhat less than Random respondents (Table 20).

Table 18 Do you approve/disapprove of competition by more than one CE candidate?

	Strongly approve	Approve	Disapprove	Strongly disapprove	DK
FC voters	55	36	1		7
Random	49	43	2	1	6

Table 19 Who would you like to see compete for Chief Executive in the July 10 election? (open-ended)

	FC voters	Random
Donald Tsang	16	25
Anson Chan	10	12
Henry Tang	2	2
Allen Lee Peng-fei	2	1
Audrey Eu	2	1
James Tien	1	1
Lee Wing-tat	1	*
Victor Fung	1	
Martin Lee		
Albert Chan	0	
Peter Woo	0	
Leung Chun-ying	0	
Arthur Li	0	
Rita Fan	0	
Chan Yuen Han	0	
Cheung Man Kwong	0	
Emily Lau	0	
Fredrick Fung	0	
Szeto Wah		0
DK/None	64	55

^{*}Indicates less than one-half percent (all figures rounded to nearest whole).

Table 20 Of the currently declared or expected candidates, Donald Tsang, Lee Wingtat and Chim Pui-chung, who do you prefer as Chief Executive?

	FC voters	Random
Donald Tsang	70	79
Lee Wing-tat	6	3
Chim Pui-chung	2	1
None of these	16	10
DK	7	6

#### III Current levels of satisfaction—effects of the Tung resignation?

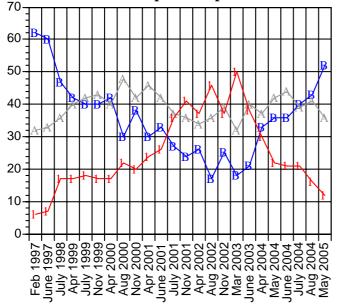
Whether or not it is related to Tung's stepping down, for the first time since 1997 a majority in May 2005 felt optimistic about Hong Kong's future prospects as a part of China. The sentiment seems to be spreading that the worst of the adjustment to the reunification with China is over, and that the benefits of the relationship are becoming more perceptible.

Table 21 How do you feel currently about HK's future prospects as a part of China?

	Optimistic	Neither/DK	Pessimistic
Feb 1997	62	32	6
June 1997	60	33	7
July 1998	47	36	17
Apr 1999	42	40	17
July 1999	40	42	18
Nov 1999	40	43	17
Apr 2000	42	40	17
Aug 2000	30	48	22
Nov 2000	38	42	20
Apr 2001	30	46	24
June 2001	33	42	26
July 2001	27	37	36
Nov 2001	24	36	41
Apr 2002	26	34	37
Aug 2002	17	36	46
Nov 2002	25	39	37
Mar 2003	18	32	50
June 2003	21	40	38
Apr 2004	33	37	30
May 2004	36	42	22
June 2004	36	44	21
July 2004	40	39	21
Aug 2004	43	41	16
May 2005	52	36	12

And as Table 22 below shows, satisfaction with life in Hong Kong after Tung has soared.

Chart of Table 21: Optimism/pessimism about HK's future with China



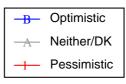
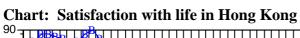


Table 22 Are you currently satisfied or dissatisfied with your life in Hong Kong?

	- mc you	currently sai	district of dissi
	Satisfied	Dissatisfied	Don't know
Nov 91	84	15	1
Feb 93	85	13	2
Aug 93	88	10	2
Feb 94	88	10	2
Aug 94	87	10	3
Feb 95	86	9	5 2 2
Sept 95	80	18	2
Feb 96	85	13	2
July 96	88	10	2
Feb 97	90	9	1
June 97	86	12	2
Jan 98	81	16	3
Apr 98	71	26	3
June 98	68	30	2
July 98	74	25	1
Oct 98	70	27	3
Apr 99	72	24	3
July 99	73	26	1
Nov 99	72	26	2
Apr 2000	65	33	2
Aug 2000	65	31	4
Nov 2000	67	30	3
Apr 2001	61	34	5
June 2001	71	25	4
July 2001	65	32	3
Nov 2001	64	33	3
Apr 2002	66	31	3
Aug 2002	62	34	4
Nov 2002	66	31	3
<b>June 2003</b>	60	37	3
Nov 2003	51	44	4
Dec 2003	57	39	5
Apr 2004	67	27	5
June 2004	62	35	4
July 2004	55	39	6
Aug 2004	63	32	4
Nov 2004	65	32	4
May 2005	78	20	2



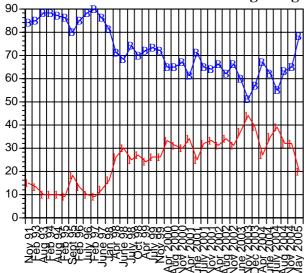
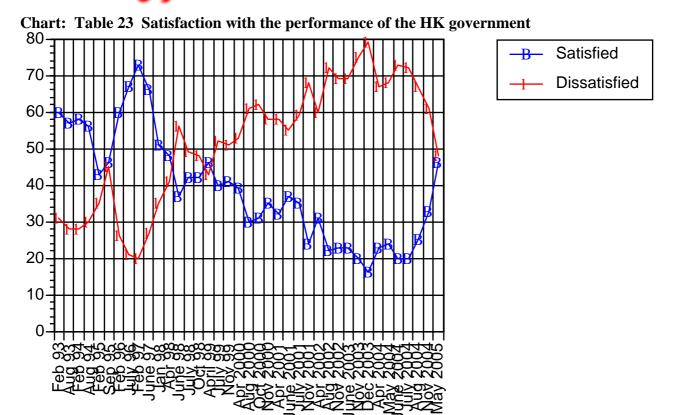


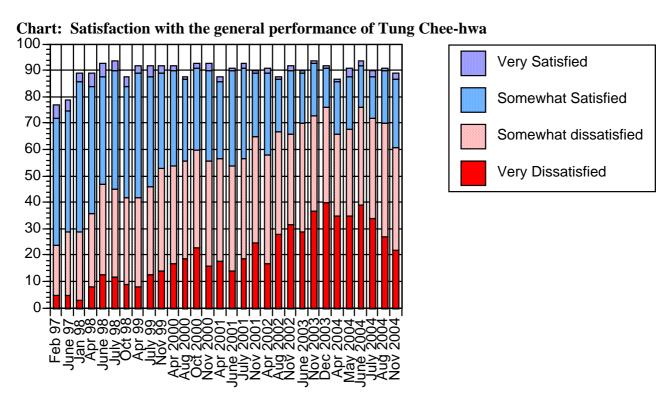


Table 23 Are you currently satisfied/dissatisfied with the general performance of the HK Government?

	Satisfied	Dissatisfied	Don't know
Feb 93	60	31	9
Aug 93	57	28	15
Feb 94	58	28	14
Aug 94	56	30	14
Feb 95	43	35	22
Sep 95	46	45	9
Feb 96	60	26	15
July 96	67	21	11
Feb 97	73	20	7
June 97	66	27	7
Jan 98	51	35	4
Apr 98	48	41	12
June 98	37	56	7
July 98	42	49	9
Oct 98	42	48	10
April 99	46	43	11
July 99	40	52	7
Nov 99	41	51	8
Apr 2000	39	53	8
Aug 2000	30	61	4
Oct 2000	31	62	6
Nov 2000	35	58	7
Apr 2001	32	58	10
June 2001	37	55	7
July 2001	35	59	5
Nov 2001	24	68	7
Apr 2002	31	60	9
Aug 2002	22	72	6
Nov 2002	23	69	9
June 2003	23	69	8
Nov 2003	20	<b>75</b>	5
Dec 2003	16	79	6
Apr 2004	23	67	10
May 2004	24	68	5
June 2004	20	73	6
July 2004	20	72	8
Aug 2004	25	67	8
Nov 2004	33	61	6
May 2005	46	48	7



The chart below shows the final assessment of Tung Chee-hwa's performance. In November 2004 Tung had 61 percent of respondents dissatisfied with his performance. This is a continuing high level of dissatisfaction despite considerably improved objective measures of economic performance.



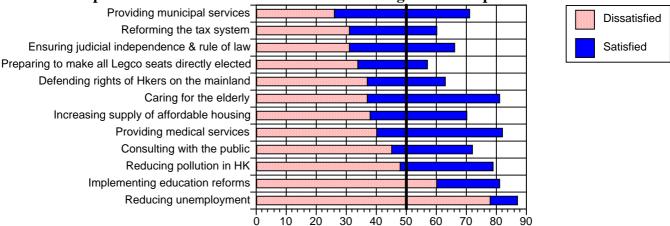
Tables 24 and 25 compare respondent's satisfaction with government performance on a list of issues. Table 24 are responses in April 2002, just after Tung won a second term by over 700 nominations from the same 800-member CE Election Committee electing Tsang in July.

Table 24 How satisfied or dissatisfied are you with performance of the HK government on the following issues: (April 2002, just after Tung second term election) Rank order

	Satisfied	Dissatisfied	Neutral	DK
Reducing unemployment	9	78	9	4
Implementing education reforms	21	60	15	7
Reducing pollution in HK	31	48	16	5
Consulting with the public	27	45	18	10
Providing medical services	42	40	12	6
Increasing supply of affordable housing	32	38	18	12
Caring for the elderly	44	37	14	5
Defending rights of Hkers working & investing on	26	37	18	19
the mainland				
Preparing to make all Legco seats directly elected	23	34	21	22
Ensuring judicial independence & rule of law	35	31	18	16
Reforming the tax system	29	31	27	12
Providing municipal services	45	26	19	9

Majorities in April 2002 were dissatisfied with government performance on reducing unemployment (creating jobs in 2005) and implementing education reforms, with a near majority, 48%, unhappy with pollution reduction. Only one issue, improving cross border travel and cooperation shows a majority satisfied.

Chart: April 2002 Ranked order dissatisfaction with government performance on:



Responses in May 2005, after 2 months with Donald Tsang at the helm, show no issue with a majority dissatisfied. Providing municipal services has moved from least dissatisfaction in 2002 to most dissatisfaction in 2005, while education reform has moved from high dissatisfaction to lowest level of dissatisfaction. The abolition of the municipal councils and reduction of the civil service workforce appear to be having negative effects, as does the Basic Law interpretations by the Standing Committee of the National Peoples Congress.

Table 25 How satisfied or dissatisfied are you with performance of the HK government on the following issues: (May 2005) Rank order by dissatisfaction, RANDOM sample

on the following issues: (May 2005) Rank order	Dy uissaus	iaction, KAIN	DOM Sai	iipie
	Satisfied	Dissatisfied	Neutral	DK
Ensuring judicial independence & rule of law	29	48	11	11
Providing municipal services	27	48	17	8
Caring for the elderly	38	43	15	4
Consulting with the public	40	37	17	6
Providing medical services	52	34	11	3
Increasing supply of affordable housing	42	33	16	10
Creating jobs	48	30	17	5
Reducing pollution in HK	59	27	10	4
Defending rights of Hkers working & investing on	37	25	13	24
the mainland				
Preparing to make all Legco seats directly elected	38	25	16	21
Implementing education reforms	63	19	11	8
Implementing education reforms				Dissatis
Preparing to make all Legco seats directly elected		<u> </u>		
Defending rights of Hkers on the mainland		<b>-</b>		Satisfie
Reducing pollution in HK				
Creating jobs				
Increasing supply of affordable housing				
Providing medical services				
Conquising with the public				
Consulting with the public		<del>                                     </del>	-	
Caring for the elderly			]	
· · · · · · · · · · · · · · · · · · ·				

While government appears to be doing better under Tsang's short tenure, a crucial aspect of performance assessment resides within the "consulting with the public" area. As seen earlier, the greatest dissatisfaction with Tsang's performance specifically focuses on consultations over the West Kowloon Cultural District and over consultations on constitutional reform. There is clearly a danger area for Tsang in the issue of these specific consultations, but as Table 25 shows, there has been only marginal improvement between Tsang and Tung on the issue of consultations in general. The recent concessions on funding of and postponements to the scheduling of some educational reforms also seems to have won broad approval from the public. Tsang's promises to cease cutting civil servants' numbers (reduced from over 190,000 in 1997 to 160,000 end of 2005) and of no further pay cuts will shore up morale and with it may improve municipal services, but this analyst is convinced that the underlying danger in this area is with the abolition of the municipal councils (done end of 1999) which exercised considerable local and political supervision over municipal services. This should be kept in mind when the issue of reforming the District Councils arises.

Table 26 shows Hong Kong people trust Tsang's handling of relations with Beijing more than Tung's. There is perhaps an advantage to Tsang being born and educated in Hong Kong, and being a member of the local service for 38 years. Clearly, with satisfaction at a higher level under Tsang than under either Chris Patten, the last governor under Britain, or under Tung Chee-hwa, the Shanghai-born tycoon, Beijing's move toward a locally born and well-known "poor boy makes good" leader appears well approved. Table 27, on satisfaction with the PRC government's handling of Hong Kong affairs, clearly reflects this approval.

Table 26 Are you currently satisfied or dissatisfied with the performance of the Hong Kong Government (SAR government) in dealing with the mainland?

Feb 95         21         46         33           Sept 95         23         48         29           Feb 96         30         41         29           July 96         37         38         25           June 97         44         41         15           Jan 98         44         32         24           July 98         61         25         14           Oct 98         57         26         17           July 99         43         42         15           Nov 99         39         46         15           Apr 2000         42         43         15           Aug 2000         42         43         15           Aug 2000         42         45         13           Nov 2000         44         43         13           Apr 2001         32         51         17           July 2001         45         42         13           Nov 2001         36         49         16           Apr 2002         46         40         14           Aug 2002         41         42         18           Nov 2003         39	Hong Go		(DITITE SOVE	
Sept 95         23         48         29           Feb 96         30         41         29           July 96         37         38         25           June 97         44         41         15           Jan 98         44         32         24           July 98         61         25         14           Oct 98         57         26         17           July 99         43         42         15           Nov 99         39         46         15           Apr 2000         42         43         15           Apr 2000         42         43         15           Aug 2000         42         45         13           Nov 2001         32         51         17           July 2001         45         42         13           Nov 2001         36         49         16           Apr 2002         46         40         14           Aug 2002         41         42         18           Nov 2003         36         49         15           Nov 2003         49         37         14           April 2004         33		Satisfied	Dissatisfied	Don't know
Feb 96         30         41         29           July 96         37         38         25           June 97         44         41         15           Jan 98         44         32         24           July 98         61         25         14           Oct 98         57         26         17           July 99         43         42         15           Nov 99         39         46         15           Apr 2000         42         43         15           Aug 2000         42         45         13           Nov 2000         44         43         13           Apr 2001         32         51         17           July 2001         45         42         13           Nov 2001         36         49         16           Apr 2002         46         40         14           Aug 2002         41         42         18           Nov 2003         33         49         18           June 2003         36         49         15           Nov 2003         49         37         14           April 2004         33	Feb 95	21	46	33
July 96         37         38         25           June 97         44         41         15           Jan 98         44         32         24           July 98         61         25         14           Oct 98         57         26         17           July 99         43         42         15           Nov 99         39         46         15           Apr 2000         42         43         15           Aug 2000         42         45         13           Nov 2000         44         43         13           Apr 2001         32         51         17           July 2001         45         42         13           Nov 2001         36         49         16           Apr 2002         46         40         14           Aug 2002         41         42         18           Nov 2003         33         49         18           June 2003         36         49         15           Nov 2003         49         37         14           April 2004         33         53         14           May 2004         29	Sept 95	23	48	29
June 97         44         41         15           Jan 98         44         32         24           July 98         61         25         14           Oct 98         57         26         17           July 99         43         42         15           Nov 99         39         46         15           Apr 2000         42         43         15           Aug 2000         42         45         13           Nov 2000         44         43         13           Apr 2001         32         51         17           July 2001         45         42         13           Nov 2001         36         49         16           Apr 2002         46         40         14           Aug 2002         41         42         18           Nov 2003         33         49         18           June 2003         36         49         15           Nov 2003         49         37         14           April 2004         33         53         14           May 2004         29         57         15           June 2004         30 <th>Feb 96</th> <th>30</th> <th>41</th> <th>29</th>	Feb 96	30	41	29
Jan 98       44       32       24         July 98       61       25       14         Oct 98       57       26       17         July 99       43       42       15         Nov 99       39       46       15         Apr 2000       42       43       15         Aug 2000       42       45       13         Nov 2000       44       43       13         Apr 2001       32       51       17         July 2001       45       42       13         Nov 2001       36       49       16         Apr 2002       46       40       14         Aug 2002       41       42       18         Nov 2002       46       42       11         Feb 2003       33       49       18         June 2003       36       49       15         Nov 2003       49       37       14         April 2004       33       53       14         May 2004       29       57       15         June 2004       30       64       7         July 2004       39       51       10	July 96	37	38	25
July 98       61       25       14         Oct 98       57       26       17         July 99       43       42       15         Nov 99       39       46       15         Apr 2000       42       43       15         Aug 2000       42       45       13         Nov 2000       44       43       13         Apr 2001       32       51       17         July 2001       45       42       13         Nov 2001       36       49       16         Apr 2002       46       40       14         Aug 2002       41       42       18         Nov 2002       46       42       11         Feb 2003       33       49       18         June 2003       36       49       15         Nov 2003       49       37       14         April 2004       33       53       14         May 2004       29       57       15         June 2004       30       64       7         July 2004       39       51       10         Aug 2004       46       43       10 <th>June 97</th> <th>44</th> <th>41</th> <th>15</th>	June 97	44	41	15
Oct 98         57         26         17           July 99         43         42         15           Nov 99         39         46         15           Apr 2000         42         43         15           Aug 2000         42         45         13           Nov 2000         44         43         13           Apr 2001         32         51         17           July 2001         45         42         13           Nov 2001         36         49         16           Apr 2002         46         40         14           Aug 2002         41         42         18           Nov 2002         46         42         11           Feb 2003         33         49         18           June 2003         36         49         15           Nov 2003         49         37         14           April 2004         33         53         14           May 2004         29         57         15           June 2004         30         64         7           July 2004         39         51         10           Aug 2004         46	Jan 98	44	32	24
July 99       43       42       15         Nov 99       39       46       15         Apr 2000       42       43       15         Aug 2000       42       45       13         Nov 2000       44       43       13         Apr 2001       32       51       17         July 2001       45       42       13         Nov 2001       36       49       16         Apr 2002       46       40       14         Aug 2002       41       42       18         Nov 2002       46       42       11         Feb 2003       33       49       18         June 2003       36       49       15         Nov 2003       49       37       14         April 2004       33       53       14         May 2004       29       57       15         June 2004       30       64       7         July 2004       39       51       10         Aug 2004       46       43       10         Nov 2004       51       40       9	July 98	61	25	14
Nov 99       39       46       15         Apr 2000       42       43       15         Aug 2000       42       45       13         Nov 2000       44       43       13         Apr 2001       32       51       17         July 2001       45       42       13         Nov 2001       36       49       16         Apr 2002       46       40       14         Aug 2002       41       42       18         Nov 2002       46       42       11         Feb 2003       33       49       18         June 2003       36       49       15         Nov 2003       49       37       14         April 2004       33       53       14         May 2004       29       57       15         June 2004       30       64       7         July 2004       39       51       10         Aug 2004       46       43       10         Nov 2004       51       40       9	Oct 98	57	26	17
Apr 2000       42       43       15         Aug 2000       42       45       13         Nov 2000       44       43       13         Apr 2001       32       51       17         July 2001       45       42       13         Nov 2001       36       49       16         Apr 2002       46       40       14         Aug 2002       41       42       18         Nov 2002       46       42       11         Feb 2003       33       49       18         June 2003       36       49       15         Nov 2003       49       37       14         April 2004       33       53       14         May 2004       29       57       15         June 2004       30       64       7         July 2004       39       51       10         Aug 2004       46       43       10         Nov 2004       51       40       9	July 99	43	42	15
Aug 2000       42       45       13         Nov 2000       44       43       13         Apr 2001       32       51       17         July 2001       45       42       13         Nov 2001       36       49       16         Apr 2002       46       40       14         Aug 2002       41       42       18         Nov 2002       46       42       11         Feb 2003       33       49       18         June 2003       36       49       15         Nov 2003       49       37       14         April 2004       33       53       14         May 2004       29       57       15         June 2004       30       64       7         July 2004       39       51       10         Aug 2004       46       43       10         Nov 2004       51       40       9	Nov 99	39	46	15
Nov 2000       44       43       13         Apr 2001       32       51       17         July 2001       45       42       13         Nov 2001       36       49       16         Apr 2002       46       40       14         Aug 2002       41       42       18         Nov 2002       46       42       11         Feb 2003       33       49       18         June 2003       36       49       15         Nov 2003       49       37       14         April 2004       33       53       14         May 2004       29       57       15         June 2004       30       64       7         July 2004       39       51       10         Aug 2004       46       43       10         Nov 2004       51       40       9				
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Feb 2003       33       49       18         June 2003       36       49       15         Nov 2003       49       37       14         April 2004       33       53       14         May 2004       29       57       15         June 2004       30       64       7         July 2004       39       51       10         Aug 2004       46       43       10         Nov 2004       51       40       9	Aug 2002	41		
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Nov 2003       49       37       14         April 2004       33       53       14         May 2004       29       57       15         June 2004       30       64       7         July 2004       39       51       10         Aug 2004       46       43       10         Nov 2004       51       40       9	Feb 2003	33		
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July 2004     39     51     10       Aug 2004     46     43     10       Nov 2004     51     40     9				
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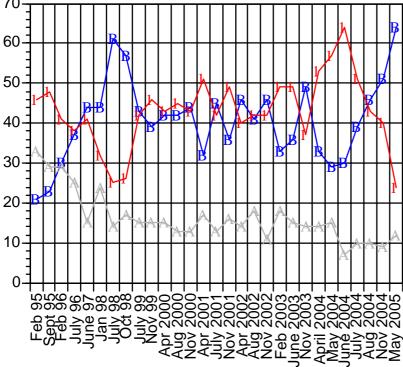




Table 27 Are you currently satisfied or dissatisfied with the performance of the PRCG in dealing with Hong Kong affairs?

iii deailh		ong Kong a		1		
	Satisfied	Dissatisfied	Don't know			
Aug 93	25	54	22			
Feb 93	23	56	21			
Aug 94	21	63	16			
Feb 95	20	60	20			
Sept 95	17	62	22			
Feb 96	31	49	20			
July 96	27	58	15			
June 97	45	41	14			
Jan 98	61	22	18			
Apr 98	67	17	16			
June 98	68	17	15			
	74	_ 17 _ 11	15			
July 98						
Oct 98	67	15	17			
Apr 99	65	19	16			
July 99	60	25	16			
Nov 99	57	26	17			
Apr 00	55	31	13			
Aug 00	56	27	15			
Nov 00	50	36	14			
Apr 01	46	34	21			
July 01	57	29	14			
Nov 01	55	26	19			
Apr 02	59	25	17			
Aug 02	57	25	19			
June 2003	57	28	16			
Nov 2003	72	18	10			
Apr 2004	47	37	17			
May 2004	37	50	11			
June 2004	38	53	9			
July 2004	38	50	12			
Aug 2004	47	40	12			
Nov 2004	55	32	13			
May 2005	64	24	11			
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As Table 28 shows, there appears to be little spin-off benefit from Tung's resignation on satisfaction with the way the mainland government is ruling China.

Table 28 Are you currently satisfied or dissatisfied with the performance of the PRCG in ruling China?

in runng C		5	5 1 1	
	Satisfied	Dissatisfied	Don't know	
Feb 93	35	49	16	
Aug 93	26	55	19	
Feb 94	29	53	18	
Aug 94	24	64	12	
Feb 95	22	62	16	
Sept 95	15	62	24	
Feb 96	30	49	22	
July 96	28	56	16	
Feb 97	38	45	17	
June 97	34	51	15	
Jan 98	37	39	24	
Apr 98	43	34	23	
June 98	44	34	22	
July 98	52	24	24	
Oct 98	53	24	23	
Apr 99	49	31	20	
July 99	44	28	27	
Nov 99	49	31	20	
Apr 2000	38	37	24	
Aug 2000	47	31	22	
Nov 2000	47	29	24	
Apr 2001	41	33	26	
July 2001	53	28	19	
	55 57	20	24	
Nov 2001	60	18	22	
April 2002			22	
Aug 2002	60	18		
June 2003	61	22	18	
Nov 2003	68	15 21	17 21	
Apr 2004	58 54	25 25		
May 2004			19	
June 2004	56	28	16	
July 2004	59	21	20	
Aug 2004	58	25	17	
Nov 2004	56	25	19	
May 2005	59	23	18	
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IV The state of concerns under the new regime

There has been an overall improvement across nearly all categories regarding levels of worry.

Table 28 How worried are you about: Personal standard of living?

	Not Worried	slightly worried	fairly worried	Very Worried	Don't know
Nov 91	56	23	12	5	4
Feb 93	45	21	19	10	5
Aug 93	47	27	14	8	4
Feb 94	51		13	5	1
Aug 94	44	38	12	5	1
Feb 95	50	26	15	6	3
Sept 95	48	26	14	9	3
Feb 96	47	29	13	7	4
July 96	44	34	12	7	3
Feb 97	49	36	10	2	2
June 97	47	36	11	5	1
Jan 98	42	30	18	8	1
Apr 98	40	29	19	11	1
June 98	34	28	24	14	1
July 98	49	22	18	10	1
Oct 98	45	27	15	11	1
Apr 99	48	28	15	8	1
July 99	49	23	17	9	1
Nov 99	47	28	14	9	2
Apr 00	46	24	16	12	2 2
Aug 2000	42	27	16	13	
Nov 2000	48	25	14	11	1
Apr 2001	41	24	16	17	1
July 2001	42	27	15	16	1
Nov 2001	28	25	21	25	1
Apr 2002	33	23	20	23	1
Aug 2002	29	26	25	18	2
Nov 2002	32	26	21	20	1
Mar 2003	24	28	25	22	1
June 2003	30	27	24	19	
Dec 2003	42	24	19	13	1
Apr 2004	48	24	16	11	2
May 2004	46	28	15	10	1
June 2004	43	33	16	7	1
July 2004	44	27	17	11	1
Aug 2004	41	31	18	10	1
Nov 2004	39	32	19	8	2
May 2005	55	21	13	9	2

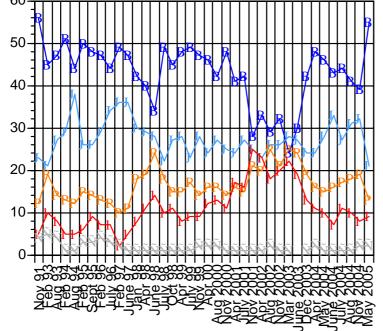
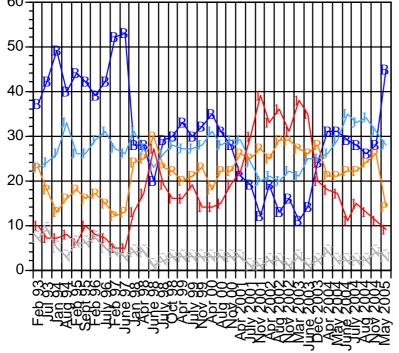




Table 29 How worried are you about: Hong Kong's economic prospects?

		" I de la companya de			
	Not Worried	slightly worried	fairly worried	Very Worried	
Feb 93	37	23	23	10	7
Jul 93	42	24	18	7	9
Jan 94	49	26	13	7	5
Aug 94	40	33	16	8	3
Feb 95	44	26	18	6	6
Sept 95	42	26	16	10	6
Feb 96	39	29	17	8	7
July 96	42	31	15	7	5
Feb 97	52	27	12	5	4
June 97	53	26	13	5	3
Jan 98	28	31	24	13	4
Apr 98	28	27	25	17	4
June 98	20	23	30	27	1
July 98	29	26	23	19	2
Oct 98	30	28	22	16	3
Apr 99	33	27	20	16	3
July 99	30	27	21	19	3
Nov 99	32	28	23	14	3 3
Apr 00	35	31	18	14	3
Aug 00	31	28	22	15	3
Nov 00	28	29	22	19	3
Apr 2001	21	29	26	22	3
July 2001	19	24	25	30	1
Nov 2001	12	20	27	39	1
Apr 2002	19	21	25 20	33	2
Aug 2002	13	20 22	29 20	36 31	2 1
Nov 2002 Mar 2003	16 11	22	29 27	31	3
June 2003	11	21 25	27 26	38 35	- 3 1
Dec 2003	14 24	25 25	26 28	20	2
Apr 2004	31	25 26	26 21	18	4
May 2004	31	20	21	17	2
June 2004	29	35	22	11	2
July 2004	28	33	22	15	2
Aug 2004	26 26	33	22 24	13	2
Nov 2004	28	31	26	11	4
May 2005	45	28	14	9	3
60 	43	40	14	7	3

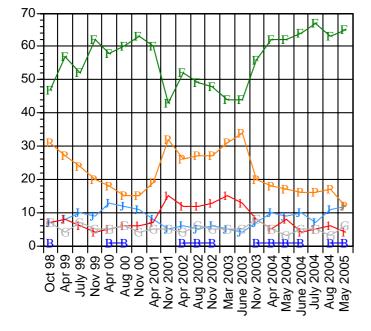


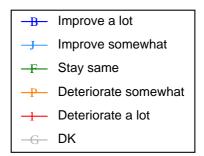


An impression might be forming at this point that Tsang has benefited from an extraordinarily well-timed takeover just at the point that the economic recovery is perceived to have kicked in. However, the improvements in evaluations above appears not, that is not, to be rooted in vastly improved expectations. While those expecting deteriorating finances has dropped, most have moved over to the Don't Know column and not into expectations of improvement in the family's financial situation in the coming year. The results above appear more rooted in approval of the change of management than lucky, well-timed changes in economic perceptions.

Table 30 How do you expect your family financial situation to change over the next 12 months?

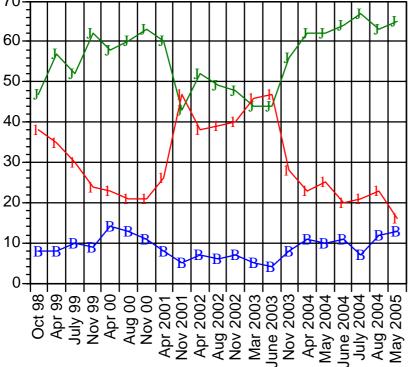
	Improve a lot	Improve	Stay	Deteriorate	Deteriorate a lot	DK
		somewhat	same	somewhat		
Oct 98	1	7	47	31	7	7
Apr 99		8	57	27	8	4
July 99	-	10	52	24	6	7
Nov 99		9	62	20	4	5
Apr 00	1	13	58	18	5	5
Aug 00	1	12	60	15	6	6
Nov 00		11	63	15	6	4
Apr 2001		8	60	19	7	5
Nov 2001		5	43	32	15	5
Apr 2002	1	6	52	26	12	4
Aug 2002	1	5	49	27	12	6
Nov 2002	1	6	48	27	13	5
Mar 2003		5	44	31	15	5
June 2003		4	44	34	13	5
Nov 2003	1	7	56	20	8	8
Apr 2004	1	10	62	18	5	5
May 2004	1	9	62	17	8	3
June 2004	1	10	64	16	4	5
July 2004		7	67	16	5	5
Aug 2004	1	11	63	17	6	3
May 2005	1	12	65	12	4	6





Collapsed categories from Table 30: Expectations over coming year

	Improve	Stay same	Deteriorate
Oct 98	8	47	38
Apr 99	8	57	35
July 99	10	52	30
Nov 99	9	62	24
Apr 00	14	58	23
Aug 00	13	60	21
Nov 00	11	63	21
Apr 2001	8	60	26
Nov 2001	5	43	47
Apr 2002	7	52	38
Aug 2002	6	49	39
Nov 2002	7	48	40
Mar 2003	5	44	46
June 2003	4	44	47
Nov 2003	8	56	28
Apr 2004	11	62	23
May 2004	10	62	25
June 2004	11	64	20
July 2004	7	67	21
Aug 2004	12	63	23
May 2005	13	65	16
70			



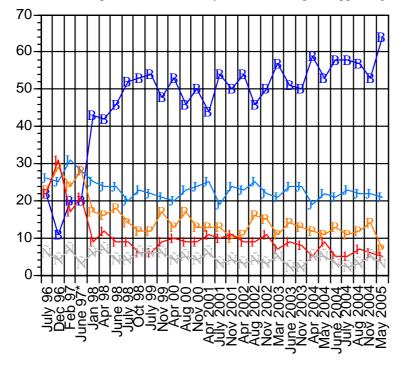


The collapsed categories table above shows that while expectations of improvement have changed little, at least there has been a drop in those who expect their family finances to deteriorate. Table 31, however, shows a marked improvement in worries about corruption in Hong Kong. While this has been one of the few success stories during Tung Chee-hwa's regime, and one he did remarkably little to communicate, the level of not worried about corruption shot up 11 points under Tsang. People apparently have more faith Tsang will practice a level playing field than under Tung.

Table 31 How worried are you about: corruption in HK?

Tubic 01		-1: -1-tl			
	Not Worried	slightly worried	fairly worried	Very Worried	Don't know
July 96	22	26	23	22	6
Dec 96	11	25	29	31	4
Feb 97	20	31	24	17	7
June 97*	20	28	28	21	3
Jan 98	43	25	17	9	6
Apr 98	42	24	16	12	7
June 98	46	24	18	9	4
July 98	52	20	14	9	4
Oct 98	53	23	12	6	6
July 99	54	22	12	6	6
Nov 99	48	21	17	9	6
Apr 00	53	20	13	10	4
Aug 00	46	23	17	9	5
Nov 00	50	24	13	9	4
Apr 2001	44	25	13	11	6
July 2001	54	19	13	10	3
Nov 2001	50	24	10	11	4
Apr 2002	54	23	11	9	3
Aug 2002	46	25	16	9	4
Nov 2002	50	22	15	11	3
Mar 2003	57	21	11	7	5
June 2003	51	24	14	9	2
Nov 2003	50	24	13	8	2
Apr 2004	59	19	12	5	5
May 2004	53	22	11	9	5
June 2004	58	21	13	5	3
July 2004	58	23	11	5	2
Aug 2004	57	22	12	7	3
Nov 2004	53	22	14	6	5
May 2005	64	21	7	5	3
_					

*To June 1997 the question was: How worried are you about corruption in HK after 1997? The question then measured anticipation of mainland style official corruption appearing in Hong Kong.



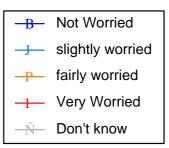
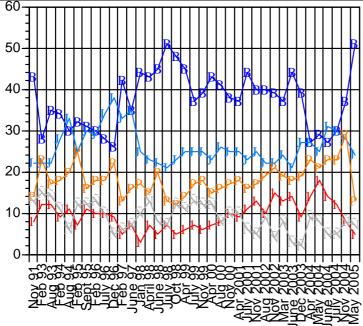


Table 32 shows that the change in attitude upon Donald Tsang's ascension extends to the political realm, with levels of no worry about Hong Kong's political stability matching those

achieved only once before under Tung, when Presidents Clinton and Jiang came to Hong Kong to open its new airport in July 1998.

Table 32 How worried are you about: Hong Kong's political stability?

Table 32 How worried are you about: Hong Kong's pontical s						
	Not Worried	Slightly worried	Fairly worried	Very Worried	DK	
Nov 91	43	22	14	8	13	
Feb 93	28	22	23	12	15	
Aug 93	35	22	17	12	14	
Feb 94	34	28	18	9	11	
Aug 94	30	33	20	11	6	
Feb 95	32	25	25	7	12	
Sept 95	31	30	16	11	12	
Feb 96	30	29	18	10	13	
July 96	28	34	18	10	10	
Dec 96	26	38	22	9	5	
Feb 97	42	33	13	5	6	
June 97	35	35	16	7	7	
Jan 98	44	25	17	3	10	
April 98	43	23	15	7	13	
June 98	45	22	20	5	8	
July 98	51	21	13	7	7	
Oct 98	48	23	12	5	12	
Apr 99	45	25	14	6	11	
July 99	37	25	17	7	13	
Nov 99	39	25	18	6	12	
Apr 00	43	23	15	7	12	
Aug 00	41	26	16	8	8	
Nov 00	38	25	17	10	10	
Apr 01	37	25	18	9	10	
July 01	44	23	16	11	6	
Nov 01	40	25	17	13	5	
Aug 02	40	22	19	10	9	
Nov 02	39	22	21	15	4	
Mar 2003	37	24	19	13	8	
June 2003	44	21	18	14	3 2	
Dec 2003	39	27	19	9	2	
Apr 2004	27	27	23	14	9	
May 2004	29	25	21	18	8	
June 2004	27	31	23	14	5	
July 2004	30	30	23	12	5	
Nov 2004	37	28	29	8	8	
May 2005	51	24	13	5	7	
60					-	

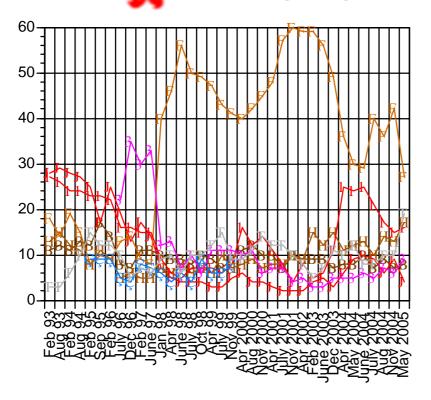


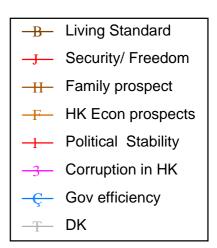


The Tsang effect can also be clearly seen in Table 33, which ranks the concerns of respondents. Don't Knows, which includes those without any worries on all aspects, are at record levels.

Table 33 Of the worries mentioned, which aspect worries you the most?

	Living	Security/	Family	HK Econ	Political	Corruption in	Gov't	DK
	Standard	Freedom	prospect	prospects	Stability	НК	efficiency	DIL
Feb 93	11	28	13	18	27			3
Aug 93	12	- 20 - 29	15	_ 16 _ 14	26			- 3 - 3
Feb 94	11	28	12	19	24			6
Aug 94	13	27	11	15	24			10
Feb 95	12	25	8	8	23		9	15
Sep 95	17		11	10	23		9	12
Feb 96	14	25	9	9	22		9	12
July 96	8	19	5	13	16	22	5	10
Dec 96	7	13	6	14	16	35	4	5
Feb 97	11	17	5	9	15	30	8	7
June 97	11	14	5	8	15	33	7	6
Jan 98	10	7	7	40	9	12	6	9
Apr 98	9	5	6	46	6	13	4	10
June 98	9	4	8	56	5	7	6	6
July 98	8	4	6	50	7	10	4	10
Oct 98	10	4	7	49	7	6	9	10
Apr 99	9	3	6	47	7	11	6	12
July 99	7	_ 3	10	43	6	11	6	15
Nov 99	9	5	7	41	8	11	8	9
Apr 2000	11	6	8	40	16	10		9
Aug 2000	12	4	9	42	12	11		11
Nov 2000	10	4	7	45	14	6		14
Apr 2001	10	_ 3	8	48	11	7		12
July 2001	7 10	2	8 10	57	8 4	7 4		12 10
Nov 2001 Apr 2002	9	$ \frac{2}{2}$	9	60 59	8	_ 4 5		8
Feb 2003	9	- 2 -	15	59 59	5	- 3 3		5
June 2003	9	5	12	56	6	3		7
Dec 2003	7	3	15	49	11	- 5 5		11
Apr 2004	8	6	11	36	25	5		10
May 2004	8	9	12	30	24	5		12
June 2004	10	10	13	29	25	6		8
July 2004	7	9	10	40	21	5		8
Aug 2004	9	6	14	36	17	7		10
Nov 2004	7	9	13	42	15	6		10
May 2005	8	4	17	27	16	9		19

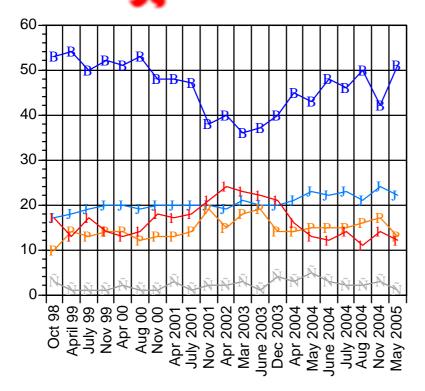




The changes in worry levels about employment related issues does, however, continue high though it is clearly showing signs of relief. But these have been developing since mid-2003. The magnitude and extent of changes in sentiment toward the positive cannot be attributed solely, or even largely, to economic improvement alone.

Table 34 Are you worried or not worried about your employment situation?

	Not Worried	slightly worried	fairly worried	Very Worried	Don't know
Oct 98	53	17	10	17	3
April 99	54	18	14	13	1
July 99	50	19	13	17	1
Nov 99	52	20	14	14	1
Apr 00	51	20	14	13	2
Aug 00	53	19	12	14	1
Nov 00	48	20	13	18	1
Apr 2001	48	20	13	17	3
July 2001	47	20	14	18	1
Nov 2001	38	20	19	21	2
Apr 2002	40	19	15	24	2
Mar 2003	36	21	18	23	3
June 2003	37	20	19	22	1
Dec 2003	40	20	14	21	4
Apr 2004	45	21	14	16	3
May 2004	43	23	15	13	5
June 2004	48	22	15	12	3
July 2004	46	23	15	14	2
Aug 2004	50	21	16	11	2
Nov 2004	42	24	17	14	3
May 2005	51	22	13	12	1

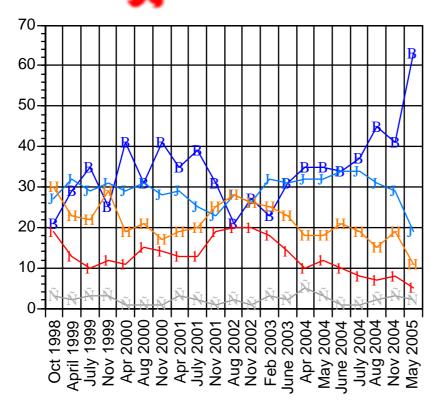




The bottom line for Donald Tsang's taking over as Chief Executive, is that people expect that he will be able to handle, or perhaps better put, prevent, the rise of social unrest. Table 35 clearly, definitively shows this.

Table 35 Are you worried/not worried about social unrest in Hong Kong?

	Not Worried	slightly worried	fairly worried	Very Worried	Don't know
Oct 1998	21	27	30	19	3
April 1999	29	32	23	13	2
July 1999	35	29	22	10	3
Nov 1999	25	31	29	12	3
Apr 2000	41	29	19	11	1
Aug 2000	31	31	21	15	1
Nov 2000	41	28	17	14	1
Apr 2001	35	29	19	13	3
July 2001	39	25	20	13	2
Nov 2001	31	23	25	19	1
Aug 2002	21	28	28	20	2
Nov 2002	27	26	26	20	1
Feb 2003	23	32	25	18	3
June 2003	31	31	23	14	2
Apr 2004	35	32	18	10	5
May 2004	35	32	18	12	3
June 2004	34	34	21	10	1
July 2004	37	34	19	8	1
Aug 2004	45	31	15	7	2
Nov 2004	41	29	19	8	3
May 2005	63	19	11	5	2





If there is one area of concern as a source of social unrest, it lies in the constitutional reform process sparking unrest. This is one of Tsang's main danger areas ahead. While those concerns have eased over the course of 2004, a majority are still concerned about these disputes getting out of hand.

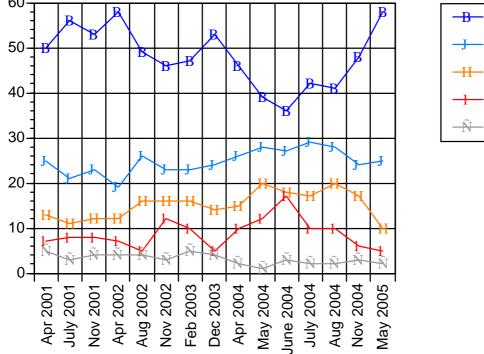
Table 36 Are you worried/not worried about constitutional reform disputes causing chaos?

	Not Worried	slightly worried	fairly worried	Very Worried	Don't know
April 2004	28	30	23	12	6
May 2004	25	28	24	14	8
June 2004	25	32	26	14	3
July 2004	33	29	23	11	3
Aug 2004	36	31	23	8	3
Nov 2004	40	28	18	7	7
May 2005	42	28	18	7	6

And finally, in Hong Kong, despite repression of the press rising on the mainland, Tsang's takeover appears to reassure people about their free press. And worries about freedom of religion, never really a problem even under Tung Chee-hwa, have dropped from 72 percent not worried about religious freedom in November 2004 to 80 percent not worried in May 2005.

Table 37 Are you currently worried or not worried about: Free press?

	Not Worried	slightly worried	fairly worried	Very Worried	DK
Apr 2001	50	25	13	7	5
July 2001	56	21	11	8	3
Nov 2001	53	23	12	8	4
Apr 2002	58	19	12	7	4
Aug 2002	49	26	16	5	4
Nov 2002	46	23	16	12	3
Feb 2003	47	23	16	10	5
Dec 2003	53	24	14	5	4
Apr 2004	46	26	15	10	2
May 2004	39	28	20	12	1
June 2004	36	27	18	17	3
July 2004	42	29	17	10	2
Aug 2004	41	28	20	10	2
Nov 2004	48	24	17	6	3
May 2005	58	25	10	5	2
60 R	<u>R</u>		B	B Not V	Vorried



Donald Tsang starts off his regime with clear improvements across many aspects. There are weak spots and even danger signals, especially concerning the consultation process in general and the consultations on the West Kowloon Cultural District and constitutional reform. But with an improving economy, and with a lot of belief that he will do better, sentiments in Hong Kong appear at their best in may areas in a very, very long time.

slightly worried

fairly worried

Very Worried

DK

Demographics (Selected)

Gender:

	FC voters	Random
Male	59	48
Female	41	52

Functional Constituency of FC voters					
	Percent of sample				
Heung Yee Kuk	2				
Ag & fisheries					
Insurance					
Transport	0				
Education	17				
Legal	6				
Accountancy	6				
Medical	9				
Health services	4				
Engineering	4				
Architectural & planning	3				
Labour	1				
Social welfare	12				
Real estate & construction	1				
Tourism	2				
Commercial first	0				
Commercial second					
Industrial first	1				
Industrial second					
Finance					
Financial services	1				
Sports, performing arts, publ	1				
Import & export	1				
Textiles & garment	2				
Wholesale & retail	5				
Information tech	17				
Catering	5				
District Council	1				

At the 95% confidence level, range of error is plus or minus 3 points for the Random Sample. The FC survey, though it has just 332 cases, is a more homogeneous group than normal random samples and has a rang of error at the 95% confidence level of plus or minus 7 points. Completion rates for the surveys range from 28% to 32% of those contacted by telephone. Since the project uses the Kish table to randomly identify the correspondents desired and then schedules a callback if that specific respondent is not at home, the completion rate tends to be lower but the randomization of responses (needed for accurate statistics) tends to be higher than surveys which interview readily available respondents using the next birthday method. Older respondents with this method tend to use traditional Chinese calendar where all "birthdays" are celebrated on the second day of the lunar new year, thus degrading randomization dependent on this method (in lunar calendar using societies in Asia). Respondents are interviewed in Cantonese, Mandarin, English, Hakka and other languages or dialects as they prefer and as interviewers with the language skills needed are available. Other surveys referred to above are Hong Kong Transition Project surveys. The details of those surveys and reports of same may be found on the Hong Kong Transition Project website at http://www.hkbu.edu.hk/~hktp

The number of respondents in the HKTP surveys:

N= Nov 91	902					
Feb 93	615	Aug 93 609				
Feb 94	636	Aug 94 640				
Feb 95	647	Aug 95 645				
Feb 96	627	July 96 928			Dec 96 326	
Feb 97	546	June 97 1,129				
Jan 98	700	April 98 852	June 98 625	July 98 647	Oct 98 811	
Apr 99	838	July 99 815			Nov 99 813	
Apr 00	704	Aug 00 625;	Aug 00 1059	Oct 00 721	Nov 00 801	
Apr 01	830	June 01 808	Jul (media) 831	Jul (party) 1029	Nov 01 759	
Apr 02	751	Aug 02 721			Nov 02 814	
Mar 03	790	June 03 776		Nov 03 835	Dec 03 709	
Apr 04	809	May 04 833	June 04* 680	July 04 * 955	July 04* 695	Aug 04* 781
			Sept 04*	Nov 04 773	Dec 04 800	Dec FC** 405 (365)
May 05	829	May FC**376 (33	32)			

^{*}permanent residents, registered voters only (part of a special 2004 election series)

^{**}Functional constituency registered voters (voters in September 2004 Legco election)

[†]All Figures are in percentages unless otherwise stated All references should be to the Hong Kong Transition Project, which has project members at Hong Kong Baptist University, University of Macau, City University and Lingnan University. The Hong Kong Transition Project is funded via a competitive grant from the Research Grants Council of the University Grants Committee of the Hong Kong Government (HKBU 2033/01H) and is a participating research project with the David C. Lam Institute of East-West Studies. None of the institutions mentioned above is responsible for any of the views expressed herein.