Hong Kong, Special Administrative Region SAR. 1st and 2nd annual reports

1999/2009(COS) - 18/05/2000 - Supplementary non-legislative basic document

In 1997, the European Commission set out the EU's basic policy on Hong Kong in a Communication entitled 'The European Union and Hong Kong: Beyond 1997'. This Communication was followed by Council conclusions adopted on 3 June 1997. The EU considers that effective implementation of the 'one country, two systems' principle enshrined in the joint Declaration and in Hong Kong's Basic Law, is a prerequisite for Hong Kong's lasting stability and prosperity. Hong Kong has long been a model and an example for other countries in the region, and a crucial point for exchanging not only goods and services, but also ideas and ways of living and thinking. Hong Kong is important to the EU. The EU has for years maintained a dynamic trade and investment relationship with Hong Kong, and Hong Kong has played a role as a centre of economic and cultural exchange between Europe and Asia. Hong Kong is beneficial for China and Hong Kong can offer valuable expertise as China sets about economic reform and building the rule of law. The Commission undertook in its 1997 Communication to produce an annual report on the relations between the Hong kong Special Administrative Region and the EU, and to consider developments in the implementation of the Joint Declaration and Basic Law in Hong Kong. The report also discusses the interests of EU businesses in Hong Kong, examines possible areas for developing further cooperation and covers issues which, in the view of one or other of the parties, require certain action. The European Commission considers that two and a half years after the handover of Hong Kong to China, the 'one country, two systems' principle remains intact and is generally working well. Hong Kong remains one of the most free societies in Asia. There have been some difficulties, but we should not exaggerate them. The European Commission will continue to monitor the position closely, particularly the continuing independence of the courts and adherence to the rule of law. The economy is recovering well from the effects of the Asian financial crisis. EU companies continue to invest heavily in Hong Kong, which demonstrates confidence in its future. The Commission welcomes the continuing close working relationships it has with Hong Kong in international trade matters, and looks forward to pursuing together, through the WTO, a number of shared objectives. It will be important for Hong Kong's image internationally that the HKSARG and the Government of China clearly demonstrate their continuing commitment to the 'one country, two systems' principle. Hong Kong people are running Hong Kong and doing so effectively. The European Commission notes the provisions in the Basic Law regarding the pace of democratisation and encourages open and public debate on this matter in Hong Kong. A faster pace of democratisation would set to rest many of the anxieties expressed about Hong Kong's present and future. The European Commission considers co-operation with Hong Kong should be increased in a number of ways, to the benefit of both parties, and will seek to identify suitable opportunities to take this forward in the year ahead.