EU/SAR Macao relations: consolidation beyond 2000

2000/2099(COS) - 16/07/2004 - Follow-up document

PURPOSE: presentation of the Commission’s 2003 Annual Report on Macao Special Administrative Region.

CONTENT: according to the report, the Special Administrative Region (SAR) of Macao harvested the first benefits from its two-pronged strategy of liberalisation of the gaming industry and economic diversification, the Macao SAR enjoyed strong economic growth in 2003 (+ 15.6%). The tourism industry contributed a great deal to these positive results with a record 11.9 million visitors’ arrivals.

In parallel, Macao pursued further economic integration with Mainland China, notably through the signing of a Closer Economic Partnership Agreement, a free-trade pact that will ensure access for Macao products and services to the Mainland market ahead of China's WTO implementation timetable. An industrial cross-border zone with the neighbouring city of Zhuhai, which will be operational in 2004-2005, was also set up. The building of a bridge connecting Macao with Hong Kong and Zhuhai was also approved.

On the political side, the Macao SAR continued to consolidate its institutions and performed well in the handling of preventive measures against the SARS epidemic, which did not affect Macao itself although it did affect its closest neighbours. The passage of a bill on national security enacting Article 23 of the Basic Law was delayed.

EU-Macao relations were marked by steady development and friendliness. Total bilateral trade slightly decreased to € 991 million, but the EU remained Macao’s second largest trading partner and foreign investor. The EC-Macao readmission agreement will enter into force in June 2004, which opens perspectives for further contacts in the field of migration.

The European Commission welcomes the dynamism of the Macao economy and the steps taken to diversify its structure. It will monitor the compliance of rules of origin in the newly set-up industrial zone and under CEPA with WTO rules. It remains concerned about intellectual property rights violations in Macao and in the Pearl River Delta region, and urges the Macao government to step up its efforts in the field of Intellectual Property Rights enforcement.

The European Commission welcomes the smooth continuation of the EC-Macao legal cooperation programme, and remains committed to exploring new possibilities for future cooperation together with the Macao authorities, in the context of new EC rules and regulations covering financial assistance.