Basic information

1999/2009(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Hong Kong, Special Administrative Region SAR. 1st and 2nd annual reports **Subject** 6.40.08 Relations with Asian countries **Geographical area** Hong Kong	

Key players

	Committee responsible	Rapporteur	Appointed
European Parliament	AFET Foreign Affairs, Security and Defense Policy	CUSHNAHAN John Walls (PPE-DE)	23/09/1999
Council of the European Union			

Key events

Date	Event	Reference	Summary
08/01/1999	Non-legislative basic document published	COM(1998)0796	Summary
25/02/1999	Committee referral announced in Parliament		
19/07/1999	End of procedure in Parliament		
10/10/2000	Vote in committee		Summary
10/10/2000	Committee report tabled for plenary	A5-0284/2000	
25/10/2000	Debate in Parliament		
26/10/2000	Decision by Parliament	T5-0479/2000	Summary
12/07/2001	Final act published in Official Journal		

Technical information

Procedure reference	1999/2009(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148

Stage reached in procedure	Procedure completed
Committee dossier	AFET/4/10721

Documentation gateway				
European Parliament				
Document type	**Committee**	**Reference**	**Date**	**Summary**
Committee report tabled for plenary, single reading		A5-0284/2000 OJ C 197 12.07.2001, p. 0007	10/10/2000	
Text adopted by Parliament, single reading		T5-0479/2000 OJ C 197 12.07.2001, p. 0217-0387	26/10/2000	Summary
European Commission				
Document type		**Reference**	**Date**	**Summary**
Non-legislative basic document		COM(1998)0796	08/01/1999	Summary
Supplementary non-legislative basic document		COM(2000)0294	18/05/2000	Summary

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1999/2009(COS) - 08/01/1999 - Non-legislative basic document

An effective enforcement of the 'one country two systems' concept enshrined in the Joint Declaration and Basic Law is fundamental to Hong Kong's lasting stability and prosperity. This in turn will benefit the European Union, which, like other world partners, has for many years enjoyed a dynamic trade and investment relationship driven in part by Hong Kong's independent free market economy. It will also benefit mainland China, for whom a robust, globally integrated Hong Kong is a powerful buttress to its own economic reforms. The EU therefore sees the upholding of the Hong Kong Special Administrative Region's autonomy, within the 'one country two systems' concept, as a cental plank of its policy towards the territory and a major component of its relationship with China as a whole. The EU set about upgrading its links with the SAR in April 1998 by adopting a Communication from the European Commission entitled 'The European Union and Hong Kong: Beyond 1997'. The aim was to set Europe's ties with the territory on a deeper, more permanent footing, while supporting its autonomy, helping to strengthen its role in Asia and the world, and monitoring respect for the rights guaranteed to its citizens under the Joint Declaration and the Basic Law of the Hong Kong Special Administrative Region. For the EU, these rights are not just valid in themselves. They are inseparable from the autonomous system upon which Hong Kong's lasting success depends. In the context of the Communication, the Commission undertook to produce an annual report on relations between the EU and Hong Kong. This is the first such report. The Commission notes that the European Parliament has produced its own report on Hong Kong, and duly transmits this document to the Parliament and the Council of Ministers for information. The main conclusions of the Commission's report are as follows: - the 'one country two systems' approach is a key element in Hong Kong's stability, freedom and prosperity following a resumption of Chinese sovereignty over the territory. After one year, it is already proving to be a workable formula that deserves the full support of the European Union and other partners. The handover itself has gone smoothly, and the authorities of both Hong Kong and Beijing have followed it up with a determination to make the division of responsibilities between them function effectively and clearly. - during the early months of the SAR, every new law, case or government act has been closely scrutinised by civil rights activists, opposition politicians, the media and the public at large for its potential threat to Hong Kong's autonomy, and on isolated occasions they have prompted questions about the SAR authorities' commitment to upholding that autonomy. Such intense scrutiny is in itself a healthy sign that Hong Kong's people and institutions feel willing and able to provide a necessary check on the authorities that run their lives. In its own scrutiny of development in the SAR since the handover, the European Commission does not detect an overall policy shift towards greater restrictiveness. The Commission will continue to monitor events in the Hong Kong SAR in the belief that a strict application of the one-country-two-systems formula holds the key to its lasting economic prosperity and the wellbeing of its citizens. - the May elections, although limited in their degree ofsuffrage, were a positive step on the road to universal democracy as stipulated by the Basic Law. The result reflects a growing appetite for the democratic process, not least at a time when financial troubles have removed the certainty of economic wellbeing for many Hong Kong citizens. - the financial crisis has deprived the SAR, at a delicate stage in its development, of the high growth and business confidence that have characterised Hong Kong's economy in the past. Its strict adherence to transparency, prudent budgetary control and a stable currency are therefore all the more admirable in the face of such adversity. This will ultimately encourage the return of business confidence one the financial crisis subsides. - the Commission is in

little doubt that such confidence will soon return, provided the SAR Government sticks closely to the principles of sound regulation and open trade, as well as the unimpeded functioning of markets with intervention strictly limited to internationally accepted standards and practices. The Commission also welcomes the chance to exchange views with Hong Kong regarding the improvement of the international financial architecture. Hong Kong remains one of the most open economies in the world. Its well tested economic principles, together with close adherence to the political and social freedoms enshrined in the Basic Law, will be the territory's best guarantor of future stability. The EU has an important role to play in that process through continual support for the SAR anchored in an ever deeper and more permanent relationship.

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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.

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1999/2009(COS) - 26/10/2000 - Text adopted by Parliament, single reading

The Parliament adopted, by 239 to 4 with 18 abstentions, the resolution drafted by Mr John CUSHNAHAN (EPP/ED, Ireland) on the Commission's first and second annual reports on the Special Administrative Region of Hong Kong. However, this resolution was adopted subject to amendments. Firstly, it should emphasised that the Parliament welcomes the developing relationship between itself and the Hong Kong Special Administrative Region (HKSAR) Legislative Council. However, it urges reform of Hong Kong's political institutions and regrets the abolition of the Municipal Council on 1 January 2000. Moreover, due to a low voter turnout for the recent elections, there is a call for the introduction of universal suffrage for both the Council and the Chief Executive at the earliest possible opportunity. The Parliament believes that the sharp decline was due to voter disillusionment as a result of the legislature's lack of real power and ability to influence the executive plus the undemocratic nature of the election system for the Legislative Council. There is concern about the implications for the right of jurisdiction of the Hong Kong Courts of the Cheung Tze-Keung ("Big Spender") and Li Yuhai cases. Therefore, the Parliament calls for a formal agreement on the mutual rendition of criminal suspects between the mainland and Hong Kong to be put in place at the earliest opportunity. Furthermore, a statutory Human Rights Commission should be set up with a view to investigating complaints of human rights abuses, with early introduction of Racial Discrimination Ordinance. With regard to press censorship, the Parliament deplores the attempt by the Central People's Government officals to interfere with the freedom of the press by encouraging self-censorship. In relation to the economy, Hong Kong is praised for its excellent economic performance, however, there is concern at the possible deterioration of working conditions in Hong Kong, particularly for migrant workers and the Parliament calls for freedom of association and the right to collective bargaining. Furthermore, Commissioner Chris Patten, stressed that Hong Kong remained one of the freest societies in Asia and a successful world class economy, but the economy depends on 'a free press, an independent judiciary, a first class public service and a zero tolerance of corruption.