Basic information

2000/2099(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
EU/SAR Macao relations: consolidation beyond 2000 **Subject** 6.40.08 Relations with Asian countries **Geographical area** Macao	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	AFET Foreign Affairs, Human Rights, Common Security, Defense	SOARES Mário (PSE)	23/09/1999
	Committee for opinion	**Rapporteur for opinion**	**Appointed**
	ITRE Industry, External Trade, Research, Energy	FOLIAS Christos (PPE-DE)	25/05/2000
Council of the European Union			
European Commission	**Commission DG**	**Commissioner**	
	Trade and Economic Security		

Key events

Date	Event	Reference	Summary
12/11/1999	Non-legislative basic document published	COM(1999)0484	Summary
10/04/2000	Committee referral announced in Parliament		
22/01/2001	Vote in committee		
22/01/2001	Committee report tabled for plenary	A5-0017/2001	
14/02/2001	Debate in Parliament		
15/02/2001	Decision by Parliament	T5-0095/2001	Summary
15/02/2001	End of procedure in Parliament		

01/10/2001	Final act published in Official Journal		

Technical information	
Procedure reference	2000/2099(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/5/12248

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0017/2001	22/01/2001	
Text adopted by Parliament, single reading		T5-0095/2001 OJ C 276 01.10.2001, p. 0163-0268	15/02/2001	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1999)0484	12/11/1999	Summary
Supplementary non-legislative basic document	COM(2001)0432	25/07/2001	Summary
Non-legislative basic document	COM(2002)0445	31/07/2002	Summary
Follow-up document	COM(2003)0415	10/07/2003	Summary
Follow-up document	COM(2004)0506	16/07/2004	Summary
Follow-up document	COM(2005)0363	05/08/2005	Summary

EU/SAR Macao relations: consolidation beyond 2000

2000/2099(COS) - 05/08/2005 - Follow-up document

PURPOSE: presentation of the Commission’s 2004 Annual Report on Macao Special Administrative Region.

CONTENT : In 2004, the political situation in Macao was marked by stability, with the territory continuing the process of consolidation as a special administrative region five years after its handover to the People's Republic of China (PRC). Its progressive political and constitutional development was carried out in line with the Basic Law.

In February, the Macao Government passed the draft Chief Executive Election bill after consultation of the PRC's Central Government and the territory's Executive Council. Mr Edmund Ho, the current Chief Executive, who was the only candidate for his own succession, was re-elected with an overwhelming majority of 98% of the votes cast in the electoral committee in August 2004. Chinese President, Mr Hu Jintao, reaffirmed the PRC's attachment to the tenets of the MSAR's Basic Law and especially to the territory's autonomous status based on the principle that "Macao people administer Macao".

The Commission welcomes the recent setting-up within the Macao Government of the Legal and Legislative Reform Office, which will coordinate among other things the implementation of measures to improve the operationality of the MSAR's legal system. The training of judges, magistrates and bilingual legal officials will thus be continued with a view to accelerating legal procedures, thereby making the administration of justice more equitable.

The Commission welcomes the Macao Government's intention to preserve the MSAR's international role by, in particular, strengthening its links with the European Union. The signing of the Regional Cooperation Agreement in the Pearl River Delta by the MSAR in June 2004 and the setting-up in Macao of the secretariat of the Forum for Economic and Trade Cooperation between China and Portuguese-speaking Countries are important steps in affirming Macao's role as a regional centre for the promotion of business and foreign investment in China, especially in Guangdong province.

In 2004 Macao underwent record economic development following the liberalisation of the gambling sector and the significant development of the tourist sector stimulated by the adoption of the system facilitating the entry of tourists from the PRC. After a 14% increase in 2003, GDP rose by 28% in 2004. Other economic sectors such as industry, property and aviation also developed robustly and the state of the labour market improved markedly. The tightening of economic links between Macao and China strengthened integration between the two economies, particularly following the setting up of the Macao-Zhuai cross-border industrial zone and the implementation of the CEPA agreement (Closer Economic Partnership Arrangement) on 1 January 2004.

The Commission welcomes the strength of Macao's economic performance and encourages the territory's authorities to continue the consolidation process while implementing measures to diversify MSAR's economic base.

EU/SAR Macao relations: consolidation beyond 2000

2000/2099(COS) - 25/07/2001

To reflect its interest in Macao, the European Commission committed itself to drawing up an annual report on the development of the Macao SAR. This is the first such report. Since the creation of the Macao SAR on 20 December 1999, the "One Country, Two Systems" principle has been followed closely. Internally, the Macao SAR Government endeavours to maintain Macao's specific characteristics in the institutional, economic and social fields. The Macao SAR's own institutions were set up in conformity with the provisions of the Basic Law and the establishment of the Court of Final Appeal, in particular, underlined Macao's autonomy. From the economic point of view, Macao, as a free port, has maintained market economy principles, although the economy itself remains dominated by the tourism and gambling sectors. In the context of the "One Country, Two Systems" principle, and contrary to the continuing use of the death penalty in China, it is worth noting that Portugal was a pioneer in abolishing capital punishment, and, as a result, no capital punishment has been carried out in Macao since 1867. With regard to the establishment and adaptation of its institutions, the Macao SAR's first year has been primarily a year of adaptation and putting its institutions into place. In spite of the departure of many Portuguese officials and the lack of senior governmental experience of a large number of senior officials, the Macao SAR Government put the required institutions into place in an orderly way. The report concludes that the Macao SAR has, on the whole, got off to a good start. But thus far, political life continues to be led, as in the past, in a consensual way and the people of Macao are increasingly interested in the political and public management of the Special Administrative Region. Some slight progress had been made on the economic front, where the Government is fully aware of Macao's limited economic base and dependence on regional neighbours. In view of this and the requirement in the Basic Law to achieve fiscal balance, the Government has adopted policies of consolidation for the moment and gradual liberalisation when the circumstances are right. Macao's trade and investment regime remains among the most open in the world. The MSAR Government has succeeded in sharply reducing crime, which has had a beneficial knock-on effect by boosting tourism. Since Macao's return to China, the life-style that characterises Macao remains deeply rooted and diversified. It is clear that Macao is coming to terms with its new status in a calm and business-like way. However, as with the Hong Kong SAR, the foundation for Macao's secure development and future prosperity will be adherence to the "One Country, Two Systems" principle and to the tenets of the Basic Law. The Commission remains committed to assisting Macao wherever possible, and to helping Macao develop and realise its full potential. The Commission will continue to maintain a close watch on events in Macao, paying particular attention to the full implementation of the Joint Declaration and the principle of "onecountry, two systems".

EU/SAR Macao relations: consolidation beyond 2000

2000/2099(COS) - 15/02/2001 - Text adopted by Parliament, single reading

The European Parliament adopted the report by Mr Mario SOARES (PES, P). The Parliament considers that Macau is continuing to play an important role following its integration into China as a Special Administrative Region (SAR), remaining for the EU, a stable economic centre in the Asia-Pacific region. (Please refer to the previous document).

EU/SAR Macao relations: consolidation beyond 2000

2000/2099(COS) - 10/07/2003 - Follow-up document

As in the Commission's two previous annual reports, this report aims to assess the development of the Macao SAR and its relations with the European Union. Three years after the handover, the Macao SAR Government benefits from a relatively thriving economic situation. The authorities' strategy of diversification of the economy stems from a clear vision of the territory's economic assets and weaknesses. The liberalisation of the gambling industry already bore its first fruit and will bring in more or less 2 billion Euro investments in the coming years. This success has contributed to the creation of an optimistic social atmosphere for the mid term perspective and to the Chief executive's current popularity. The implementation of the "one country, two systems" principle remained satisfactory, though in the long run the SAR authorities should be strengthened by upgrading the civil service. Yet, many important tasks are still to come: diversification of export structure, reform of the legal system, upgrading of the administration and the hospital system, improvement of the social welfare, adaptation of the labor force etc. It is very encouraging that the Macao SAR Government remains aware of these challenges and committed to undertake relevant reforms. The adoption of an anti-subversion legislation might bear some incidence on the specific status of the SAR and will be closely followed by the EU.

EU/SAR Macao relations: consolidation beyond 2000

2000/2099(COS) - 12/11/1999 - Non-legislative basic document

PURPOSE : to present the Communication on the relation,s between European Union and Macau after year 2000. CONTENT : on the 20/12/1999 Macau was to revert to China after more than four centuries under Portuguese administration. The EU, as one of Macau's major international partners, has a key role to play in contributing to a smooth handover and a stable, prosperous development of the territory thereafter. The links that exist between Europe and Macau - a similar legal system, common rights, liberties and values, and vibrant trade and investment and, in particular, the extremely solid relationship in terms of culture and civilisation - make Europe uniquely placed to fulfil this role. The European Union considers that Macau has a vital role as a bridge between Asia and Europe, notably in the following areas: - democracy and human rights, individual freedoms and related issues; - economic and trade issues, including WTO; - cultural issues, as a regional hub for training and exchange. The European Union looks forward to maintaining and developing its friendly relations with Macau before and after the transfer of sovereignty. The EU believes it has an important and distinct role to play in helping Macau to fully implement the Basic Law, thereby securing a prosperous and stable future for the territory after the handover. With this in mind, the EU will: - continue to deal directly with Macau in areas stipulated by the Basic Law; - closely monitor and promote the implementation of the "one country, two systems" in order to fully support Macau's political, economic and cultural autonomy, and the preservation of the rights and freedoms set out in the Sino-Portuguese Joint Declaration; - ensure full implementation of the bilateral EC-Macau trade ad co-operation Agreement as an instrument through which to reinforce bilateral relations; - deal directly with Macau as an international partner, and maintain regular support and close contact; - facilitate European Investment in the territory, in particular in the field of services, by using existing or future Community instruments, and by promoting direct dialogue between business representatives; - welcome the accreditation to the European Communities of a Trade and Economic Office of Macau as a means of ensuring a regular dialogue in trade, economic and co-operation issues; - encourage Macau to impart its experience of WTO membership to China as and when the latter accedes to the WTO; - following the implementation of those international conventions of which Macau is a member and encourage it to broaden its participation in other conventions; - help reinforce Macau's regional role in the field of human resources through training, information activities and exchange, in particular involving media, cultural exchanges, civil society entities and higher education institutions. This aim should be fulfilled through actions involving directly the authorities of the SAR and the EU and through theinclusion of the SAR in regional projects.

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.

EU/SAR Macao relations: consolidation beyond 2000

2000/2099(COS) - 31/07/2002

This document consists of the second annual report from the Commission on the Macao Special Administrative Region. The European Union attaches great importance to the effective and full implementation of the Basic Law and the "one country, two systems" principle in the Macao Special Administrative Region of the People's Republic of China, and has therefore closely followed the evolution of the Macao SAR with friendly interest. As in the Commission's first annual report, this report aims to assess the development of the Macao SAR and to comment on EU-Macao relations. The Macao SAR has pursued its good start in consolidating the institutions established since its creation. The free Legislative Assembly elections held in September 2001 showed the commitment of Macao citizens to the exercise of their basic political rights. The increased number of legislators elected through direct universal suffrage marked progress towards more democracy. The participation of the Portuguese community in the direct legislative elections reflected their confidence in the Macao SAR. Two years after the hand-over of Macao to China, it is reassuring to note that both the Central Government in Beijing and the Macao SAR Government continue to attach great importance to the "one country, two systems" principle. The Macao Government continues to administer the Special Administrative Region both on the internal and international levels in an autonomous way as prescribed by the Basic Law. As regards the economy, the report highlights that following a moderate recovery in 2000, Macao's economy recorded a slower pace in 2001 in tandem with the global downturn. Real GDP growth slowed to 2.1% for 2001 from 4.6% in the previous year. The slowdown was mainly caused by a contraction of external demand for merchandise exports in major overseas markets. Yet, thanks to a buoyant tourism sector, the economy still managed to achieve a mild growth in 2001. As stated, the tourism industry performed favourably in 2001 with the total number of visitors hitting a record level of over 10 million, an increase of more than 12% from 2000. The report concludes that two years after the hand-over, the Macao SAR is shaping up reasonably well for the future, despite the economic downturn. The Commission will endeavour to work and co-operate with the Macao authorities to help the SAR's stable development, in line with the 'one country, two systems' principle.