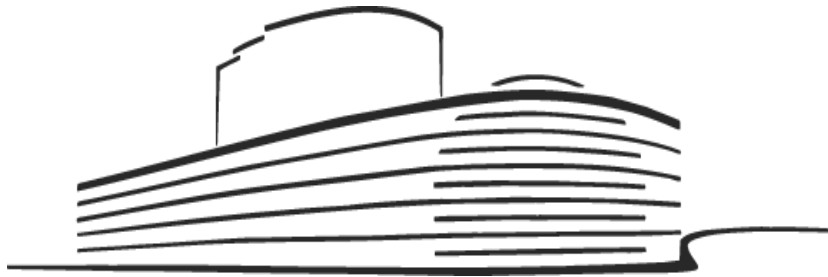


EUROPEAN PARLIAMENT



2003 - 2004



TEXTS ADOPTED

at the sitting of

Tuesday
8 April 2003

PART I

P5_TA-PROV(2003)04-08

PROVISIONAL EDITION

PE 330.843

EN

EN

P5_TA-PROV(2003)0142

Hong Kong SAR

European Parliament resolution on the Third and Fourth Annual Reports by the Commission to the Council and the European Parliament on the Hong Kong Special Administrative Region (COM(2001) 431 - COM(2002) 450 - C5-0620/2002 - 2002/2276(INI))

The European Parliament,

- having regard to the Third Annual Report by the Commission to the Council and the European Parliament on the Hong Kong Special Administrative Region (COM(2001) 431),
- having regard to the Fourth Annual Report by the Commission to the Council and the European Parliament on the Hong Kong Special Administrative Region (COM(2002) 450 – C5-0620/2002),
- having regard to its resolution of 8 October 1998 on the Communication from the Commission on the European Union and Hong Kong: Beyond 1997¹,
- having regard to its resolution of 9 February 1999 on the communication from the Commission - Building a Comprehensive Partnership with China²,
- having regard to its resolution of 11 April 2002 on the Commission Communication to the Council and the European Parliament on a EU strategy towards China: Implementation of the 1998 Communication and future steps for a more effective EU policy³,
- having regard to its resolution of 5 September 2002 on the Commission Communication on Europe and Asia: A Strategic Framework for Enhanced Partnerships⁴,
- having regard to its resolution of 19 December 2002 on Hong Kong⁵,
- having regard to the 2003 Policy Address made by HKSAR Chief Executive Tung Chee-Hwa,
- having regard to its resolution of 26 October 2000 on the First and Second Annual Reports by the Commission on the Special Administrative Region of Hong Kong⁶,
- having regard to Rule 163 of its Rules of Procedure,

¹ OJ C 328, 26.10.1998, p. 186.

² OJ C 150, 28.5.1999, p. 44.

³ P5_TA(2002)0179.

⁴ P5_TA(2002)0408.

⁵ P5_TA(2002)0630.

⁶ OJ C 197, 12.7.2001, p. 387.

- having regard to the report of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy and the opinion of the Committee on Industry, External Trade, Research and Energy (A5-0112/2003),
- A. whereas sovereignty over Hong Kong was transferred from the United Kingdom to the People's Republic of China on 1 July 1997,
- B. whereas the Sino-British Joint Declaration of 19 December 1984 and the Basic Law of 1990 guaranteed that, after the transfer of sovereignty, the existing economic system and way of life would remain unchanged for 50 years,
- C. whereas the European Union continues to support the 'one country, two systems' principle on which Hong Kong's present and future autonomy under China is based, and whereas the European Parliament has been a staunch defender of this autonomy,
- D. whereas this principle has continued to function well, although its implementation in certain areas has raised some concerns,
- E. whereas many groups have expressed serious concern at the proposed implementation of Article 23 of the Basic Law, which would provide for heavy penalties, including imprisonment, for treason, sedition, subversion and theft of state secrets, but whereas precise definitions of these crimes have not yet been produced,
- F. whereas the large demonstration held in Hong Kong on 15 December 2002 illustrated the genuine concern that Article 23 laws must not undermine existing human rights and civil and religious liberties,
- G. whereas it has maintained a constructive dialogue with the Government of the HKSAR,
- H. whereas the HKSAR Chief Secretary for Administration, Donald Tsang, visited the European Parliament for an exchange of views with the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy on 22 November 2001, whereas HKSAR Financial Secretary, Antony Leung, participated in meetings in the European Parliament in November 2002, and whereas Henry Tang, Secretary for Commerce, Industry and Technology for the HKSAR Government visited the European Parliament on 27 January 2003,
- I. whereas Hong Kong was, in 2002, named the world's freest economy for the 9th consecutive year (Heritage Foundation Index of Economic Freedom),
- J. whereas, however, Hong Kong has just gone through 4 ½ years of deflation; aware of the increasing deficit of almost HKD 70 billion and of increasing unemployment, which currently runs at 7-8%,
- K. whereas, under the Basic Law, Hong Kong is a separate customs territory, and whereas, as such, it is a member in its own right of the World Trade Organisation (WTO), and whereas the EU welcomes its constructive participation in the Organisation,

- L. whereas the accession of China to the WTO strengthens Hong Kong's economic position in the region and the establishment of free trade areas that are open to the outside world is a development factor which may acquire major significance for Hong Kong in the future,
- M. whereas Hong Kong must continue to stimulate and develop its economic activities if it wishes to remain competitive now that China has joined the World Trade Organisation and also in the light of the growing integration with China itself,
- N. whereas Hong Kong is an important economic partner with which the European Union also continues to have an interest in maintaining good relations,
- O. whereas many EU companies are involved in the banking, insurance and securities industries in Hong Kong and many more have their regional headquarters in the HKSAR,
- P. whereas, in economic and trade terms the HKSAR is closely linked to the West, making it ideally suited as a strategic link between Europe and Asia,
- Q. whereas, in a Joint Statement issued after the 21 May 2002 meeting in Brussels HKSAR Chief Secretary Donald Tsang and Commission President Romano Prodi announced that Hong Kong and the European Union had agreed to build a closer and stronger partnership,

Institutions

1. While acknowledging that the new accountability system has only been in existence for a short time, takes note of the criticism that it concentrates power in the hands of the Chief Executive and has the potential to politicise the civil service;
2. Welcomes the commitment given in the 2003 Policy Address to maintain "a small but responsive and accountable government and a permanent, meritocratic, professional, politically neutral and clean civil service";
3. Believes that the promised review of constitutional developments post 2007 should prepare for the election of the Chief Executive in 2007 and the Legislative Council in 2008 on the basis of universal suffrage;
4. Expresses its concern that recent measures relating to Hong Kong's civil service that either have been or will be implemented in the political and economic fields could demoralise and undermine that service, which is universally respected for its professionalism and integrity;

Rule of Law

5. Considers that the rule of law implemented by independent courts exercising the power of final jurisdiction guarantees the autonomy of Hong Kong, and believes that a reinterpretation of the Basic Law should never be sought from the Standing Committee of the National People's Congress once a decision has been made by the Court of Final Appeal;

6. Stresses that any legislation introduced under Article 23 must not interfere with the exclusive jurisdiction of Hong Kong courts; regrets the decision of the HKSAR government to ignore the legitimate and strongly supported demand for the publication of a white bill on proposed Article 23 legislation, to be followed by a second round of public consultation;
7. Expresses its serious concern with regard to several aspects of the proposed Article 23 legislation particularly the proposals relating to the proscription of organisations outlawed in mainland China on national security grounds and the totally inadequate appeal mechanism, which runs contrary to the spirit of Article 35 of the Basic Law;
8. Notes that although no agreement has been reached on the mutual rendition of offenders, believes that any future agreement on this issue must guarantee that in both jurisdictions the trial proceedings would be in accordance with the ICCPR and that in no circumstances would capital punishment be used;

Human Rights

9. Reiterates its call for the establishment of a Statutory Human Rights Commission - which will assume even more significance when Article 23 legislation is introduced - as such a body would ensure an effective balance between this legislation and respect for fundamental human rights;
10. While welcoming the commitment in the 2003 Policy Address to consider introducing legislation against racial discrimination, believes that this legislation should be enacted immediately to give effect to the International Convention on the Elimination of All Forms of Racism;
11. Welcomes the establishment of the Race Relations Unit within the Home Affairs Bureau but believes it is essential that an independent body be set up to deal with discrimination, with statutory backing and enforcement powers;
12. Calls on the HKSAR administration to implement the recommendations of various United Nations human rights treaty monitoring bodies;
13. Urges the HKSAR government to undertake immediate measures for a just and humane solution to the problem of families split between Hong Kong and mainland China, including those whose family members had to return to mainland China after having their permanent residence in Hong Kong revoked by the re-interpretation of the Basic Law by the Standing Committee of the N.P.C.;
14. Is critical of the continuing situation where some members of the Legco are denied access to mainland China; in this context, calls on the Council Presidency and the Commission to raise the issue with China;
15. Expresses its concern at the inconsistent approach of HKSAR authorities with regard to its immigration policy and in particular criticises the decision to deny entry to Mr. Harry Wu in April 2002;

16. Expresses concern at the comments made by the Chief Executive to the LegCo on the 14 June 2001, when he described the Falun Gong as an "evil cult"; is further concerned by the speculation that the administration conducted a study of anti-cult legislation in other countries, states therefore its strong opposition to any move on the part of the Hong Kong authorities to ban the Falun Gong; urges the authorities to recognise that the great majority of practitioners in no way threaten the authority of the government but equally believes the Falun Gong should pursue its right to practice in a responsible and non-confrontational manner;
17. Acknowledges the excellent work being done by the Office of the Ombudsman, the Privacy Commissioner's Office, the Equal Opportunities Commission, the Independent Commission Against Corruption, and urges the HKSAR government to ensure that they have the necessary resources to operate independently in the discharge of their tasks;

Economy

18. Welcomes the strategy outlined in the 2003 policy address to conclude negotiations by June 2003 on the main aspects of the Closer Economic Partnership Arrangement (CEPA) with mainland China;
19. Seeks assurances that it will be compatible with WTO rules especially those pertaining to sectoral coverage of Free Trade Agreements;
20. Urges the HKSAR, in the context of CEPA, to provide a clear definition of a "Hong Kong company or enterprise" and also further clarification on the issues of the rules of origin and import licensing;
21. Supports the strategy of economic integration with the Pearl River Delta (PRD) as outlined by the Chief Executive in his Policy Address as a potentially important and exciting initiative which will revitalise the Hong Kong economy;
22. However, in expressing support for both the CEPA and the PRD initiatives, underlines the fact that these should be implemented on the basis of the "one country, two systems" and should not undermine this in any way;
23. Supports the view that the introduction of fair competition laws and practices would strengthen the Hong Kong economy;
24. Urges Hong Kong to keep improving its legislation against money laundering and its anti-terrorism measures in the financial field;

SARS Outbreak

25. Notes the reports that by early April 2003, over twenty deaths and almost one thousand recorded cases have been attributed to the SARS (Severe Acute Respiratory Syndrome) epidemic in Hong Kong; nonetheless welcomes the actions of the Hong Kong healthcare professionals and scientists in responding to the SARS outbreak; expresses concern at the lack of transparency, lack of information-sharing and unnecessary delays by the authorities of the Peoples Republic of China in responding to the discovery of the deadly respiratory disease; therefore believes that Hong Kong's further integration with the Pearl

River Delta (ie. the Guangdong province) should not exclusively be about building roads and bridges and easing border control but should also promote public health and disease cooperation and calls for a sufficient alert system to be established;

Environment

26. Is aware that although some improvements have taken place, there is still criticism of the environmental policies of the HKSAR government, as documented by the Hong Kong Foreign Chambers of Commerce Association; welcomes therefore, initiatives that were promised in the 2003 Policy Address, including proposals for a "polluter pays" principle scheme, a pilot emissions trading scheme between Hong Kong and Guandong, further recycling, nature conservation and water management measures, and calls for their swift implementation;

Further areas for EU-HKSAR Cooperation

27. Calls on the Commission to explore possible areas for cooperation between the European Union and the HKSAR where there can be exchanges of experience and ideas, particularly in the fields of education, the environment, and cross-border cooperation, and to provide the necessary resources to facilitate this;

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28. Instructs its President to forward this resolution to the Council, the Commission, the governments of the Member States, the Government of the People's Republic of China, the Government of the Hong Kong Special Administrative Region, and the Legislative Council (LegCo).