


# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	<a href="#">2000/2099(COS)</a>	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
	<b>AFET</b> Foreign Affairs, Human Rights, Common Security, Defense		23/09/1999
		PSE <a href="#">SOARES Mário</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
Council of the European Union European Commission	<b>ITRE</b> Industry, External Trade, Research, Energy		25/05/2000
		PPE-DE <a href="#">FOLIAS Christos</a>	
	Commission DG <a href="#">Trade</a>	Commissioner	

Key events			
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	<a href="#">A5-0017/2001</a>	
14/02/2001	Debate in Parliament		
15/02/2001	Decision by Parliament	<a href="#">T5-0095/2001</a>	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 142
Stage reached in procedure	Procedure completed
Committee dossier	AFET/5/12248

### Documentation gateway

Non-legislative basic document		COM(1999)0484	12/11/1999	EC	Summary
Committee report tabled for plenary, single reading		<a href="#">A5-0017/2001</a>	22/01/2001	EP	
Text adopted by Parliament, single reading		<a href="#">T5-0095/2001</a> <a href="#">OJ C 276 01.10.2001, p. 0163-0268</a>	15/02/2001	EP	Summary
Supplementary non-legislative basic document		COM(2001)0432	25/07/2001	EC	Summary
Non-legislative basic document		<a href="#">COM(2002)0445</a>	31/07/2002	EC	Summary
Follow-up document		<a href="#">COM(2003)0415</a>	10/07/2003	EC	Summary
Follow-up document		<a href="#">COM(2004)0506</a>	16/07/2004	EC	Summary
Follow-up document		<a href="#">COM(2005)0363</a>	05/08/2005	EC	Summary

## EU/SAR Macao relations: consolidation beyond 2000

PURPOSE : to present the Communication on the relations 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 and 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 the inclusion of the SAR in regional projects.?

## EU/SAR Macao relations: consolidation beyond 2000

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

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

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**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

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**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 operability 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-Zhuhai 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.