

# Procedure file

Basic information	
INI - Own-initiative procedure	2002/2275(INI)
Procedure completed	
Macao special administrative region SAR. 2nd annual report 2001	
Subject 6.40.08 Relations with Asian countries	
Geographical area China Macao	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>AFET</b> Foreign Affairs, Human Rights, Common Security, Defense	PSE <a href="#">SOARES Mário</a>	11/09/2002
European Commission	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ITRE</b> Industry, External Trade, Research, Energy	The committee decided not to give an opinion.	
	Commission DG <a href="#">Maritime Affairs and Fisheries</a>	Commissioner	

Key events			
31/07/2002	Non-legislative basic document published	<a href="#">COM(2002)0445</a>	Summary
16/01/2003	Committee referral announced in Parliament		
19/03/2003	Vote in committee		
19/03/2003	Committee report tabled for plenary	<a href="#">A5-0113/2003</a>	
08/04/2003	Decision by Parliament	<a href="#">T5-0141/2003</a>	Summary
08/04/2003	End of procedure in Parliament		
12/03/2004	Final act published in Official Journal		

Technical information	
Procedure reference	2002/2275(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative

Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	AFET/5/19021

### Documentation gateway

Supplementary non-legislative basic document	<a href="#">COM(2001)0432</a>	25/07/2001	EC	Summary
Non-legislative basic document	<a href="#">COM(2002)0445</a>	31/07/2002	EC	Summary
Committee report tabled for plenary, single reading	<a href="#">A5-0113/2003</a>	19/03/2003	EP	
Text adopted by Parliament, single reading	<a href="#">T5-0141/2003</a> OJ C 064 12.03.2004, p. 0024-0127 E	08/04/2003	EP	Summary

## Macao special administrative region SAR. 2nd annual report 2001

**PURPOSE** : to present the first annual report from the Commission on the Macao special administrative region. **CONTENT** : 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 "one country, two systems".?

## Macao special administrative region SAR. 2nd annual report 2001

**PURPOSE** : to present the second annual report from the Commission on the Macao Special Administrative Region (SAR). **CONTENT** : the Commission presents its second annual report on the implementation of the Macao SAR of China. Overall, the Commission is satisfied with the overall application of the principle and the development of the relations of this body with the European Union. The Macao SAR has pursued its good start in consolidating the institutions established since its creation. The free Legislative Assembly elections held in September 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. 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, a record level of over 10 million visitors, the economy still managed to achieve a mild growth in 2001. But unemployment continued to be an issue of concern. The report concludes that after 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.?

## Macao special administrative region SAR. 2nd annual report 2001

The European Parliament adopted an own-initiative report drafted by Mario SOARES (PES, Portugal) on the Macao SAR. Parliament

welcomed the Commission reports for 2000 and 2001. It pointed out that the stable and prosperous development of Macao is in the interests of both China and the EU. Macao has an important role to play as a gateway to other regions in China and can act as a key facilitator for exchanges of all kinds between the EU and China. Parliament also expressed its support for the full implementation and upholding of the Basic Law of the MSAR under the 'one country, two systems' principle. It noted that both the Central Government in Beijing and the MSAR government continued to attach great importance to this principle and that the Macao government administered the SAR, internally and internationally, in an autonomous way, as set out in the Basic Law. It asked the Commission to appoint an EU-Macao Cupertino officer to the MSAR, as announced in the Commission Communication of 2000. The European Parliament wanted further and more systematic links between its parliamentarians and those of the MSAR Legislative Assembly. It recommended, at some point, the creation of an EP-MSAR Friendship Group, as well as the enhancing of links between academic, cultural and scientific institutions in the two regions. In its general appraisal, Parliament found, overall, three years after the handover, the situation in the MSAR is evolving in a satisfactory way, maintaining Macao's specific characteristics, institutionally, economically and socially. It stated that the EU is in a position to make a vital contribution to safeguarding the high degree of autonomy enjoyed by the MSAR and its unique character, which are inherent to the 'one country, two systems' principle. The Commission is asked to work together with the MSAR in a creative approach, and explore the ways and means required for significant expansion in EU-Macao cooperation, as agreed in the final declaration of the ninth annual meeting of the EU-Macao Joint Committee. The EU, at all institutional levels, must continue its support for Macao and maintain the Macao issue as an important point of discussion in the EU-China dialogue. Finally, Parliament welcomed the decision of the MSAR Government, expressly supported by the Chinese Government, to assert and consolidate Macao's position as a centre for China's links with the countries whose official language is Portuguese. This policy is particularly important, given that it will affect China's relations with countries such as Portugal, Brazil, or Cape Verde, Angola, and Mozambique. The Commission, the Council, and Parliament will not fail to keep this new policy under the most careful review and will lend their support whenever common interests are shown to exist.?