

European Commission and European External Action Service issue 2016 Annual Report on the Hong Kong Special Administrative Region

The European Commission and the European External Action Service (EEAS) have today adopted their 19th annual report to the European Parliament and the Council of Ministers on political and economic developments in the Hong Kong Special Administrative Region (SAR) in 2016. The European Union adheres to its 'one China' policy and supports the 'one country, two systems' principle and its implementation.

2016 was a politically challenging year for the Hong Kong SAR and for the functioning of the 'one country, two systems' principle. The year was marked by the emergence of political groups advocating self-determination or even independence, the Mong Kok riot, Legislative Council elections and the disqualification of two pro-independence lawmakers, the decision by the National People's Congress Standing Committee (NPCSC) to issue an interpretation of the Basic Law provisions on oath taking, voting for the Election Committee, and preparations for the Chief Executive elections.

The case of the five book publishers who went missing in 2015, which the EU regards as the most serious challenge to the Basic Law and the 'one country, two systems' principle since the 1997 handover, continued to unfold, and the circumstances of their disappearance have yet to be clarified.

Despite the above-mentioned issues, the report concludes that overall the 'one country, two systems' principle continued to work well in 2016. The judiciary continued to demonstrate its independence and adherence to due process, despite being confronted with several politically-sensitive judicial reviews and the NPCSC's interpretation of the Basic Law. The rule of law remained the guiding principle for the government, economic stakeholders and the population at large. Anti-corruption action remained strong and good governance indicators were positive. Freedom of speech and freedom of information were generally upheld. However, negative trends were observed with regard to press freedom and in the publishing industry as a result of caution and self-censorship on the part of those reporting on domestic and foreign policy developments in the People's Republic of China.

Trade, economic and cultural relations between the European Union and Hong Kong have been growing steadily. As in previous years, the European Union was Hong Kong's second largest trading partner after mainland China, while Hong Kong was the EU's 14th largest trading partner in goods and a key partner for trade in services. The EU is looking forward to further strengthening and expanding its relations with the Hong Kong SAR.

The EU hopes that the Hong Kong SAR and China's central government will

resume electoral reform in Hong Kong in line with the Basic Law and reach an agreement on an election system that is democratic, fair, open and transparent. Universal suffrage would give the government greater public support and legitimacy in pursuing Hong Kong's economic objectives and tackling social challenges such as the socio-economic and generational divides in Hong Kong society.

The full report is available here:

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=JOIN:2017:16:FIN>