

# HKSAR Government responds to European Commission report

The Hong Kong Special Administrative Region (HKSAR) Government made the following response today (July 23) to the comments in the report on Hong Kong issued by the European Commission and the High Representative of the European Union for Foreign Affairs and Security Policy (the Report).

The HKSAR Government wishes to reiterate at the outset that the HKSAR is an inalienable part of the People's Republic of China (PRC), a local administrative region that enjoys a high degree of autonomy under "One Country, Two Systems" and comes directly under the Central People's Government (CPG). While the HKSAR Government has over the past 23 years made full use of the relevant provisions in the Basic Law of the HKSAR of the PRC (Basic Law) in conducting its external affairs and expanding bilateral and multilateral relationship, including that with the European Union (EU), over a wide range of subjects from trade and finance to education and culture, matters of the HKSAR remain our Country's internal affairs. No other state has the right to intervene, directly or indirectly, in such internal affairs.

The HKSAR Government could not agree with remarks in the Report about the implementation of the "One Country, Two Systems" in Hong Kong. The concerns about the erosion of HKSAR's high degree of autonomy and the legitimate rights and freedoms enjoyed by the people of Hong Kong are totally unfounded.

The Government spokesman stressed, "To uphold and implement the principle of 'One Country, Two Systems' meets the interests of the Hong Kong people, responds to the needs of maintaining Hong Kong's prosperity and stability and serves the fundamental interests of the nation. The CPG has time and again made it clear that the Central Government will unswervingly implement the policy of 'One Country, Two Systems'.

"But this has to be premised on a correct understanding of the relationship between 'One Country' and 'Two Systems'. First and foremost is to firmly uphold China's sovereignty, security and development interests," the spokesman added.

"We hope the international community will respect that fundamental principle and should take an objective view on Hong Kong's development. In recounting events in the past year, the truth is with the pretext of opposing a proposed legislation (subsequently withdrawn) to enhance Hong Kong's legal system in respect of cross-jurisdiction co-operation in the return of fugitive offenders and mutual legal assistance in criminal matters, Hong Kong – once one of the safest cities in the world – was haunted by rioters vandalising shops and traffic facilities, setting fires to buildings, attacking police officers with bricks, petrol bombs and even genuine firearms and viciously assaulting innocent citizens who held different opinions. Our city's rule of law is at stake and our citizens' safety is under threat.

"The Report seemed to focus on companies in Hong Kong faced with increasing political pressure and intervention, but omitted the fact that many companies were selectively vandalised by rioters because of their pro-China or pro-Government opinions.

"The HKSAR Government always respects and protects human rights and freedoms. However, rights such as freedom of expression or assembly are not absolute and are not without limit. As pointed out by the Chief Justice of the Court of Final Appeal at the Ceremonial Opening of the Legal Year 2020, 'it is important to understand that the enjoyment of these rights has limits so as not to affect adversely to an unacceptable level the enjoyment by other members of their community of their rights and liberties.'

The Government spokesman stressed, "For whatever reason, no one is above the law. In face of these serious illegal acts, the Police have the statutory duty to take lawful measures to maintain public order and public safety. The Police have a set of stringent guidelines on the use of force that are consistent with the international human rights norms and standards. It is relevant to note that throughout months of street violence and confrontations, there has been no fatality caused by the Police whereas an innocent man was killed by rioters, another seriously burnt and hundreds of frontline policemen injured.

"The Police always handle public meetings and processions in a fair, just and impartial manner in accordance with the laws of Hong Kong. During the period from July 2019 to June 2020, among the 582 public meetings or processions that required notifications under the Public Order Ordinance and had made such notifications, 88 per cent of the organisers of these cases can conduct the public meetings or public processions according to their original plan.

"We must reiterate that the freedoms and rights of assembly and procession are not absolute and are subject to restrictions as prescribed by law as necessary, in the interests of, for example, public order. In fact, from early June to early October in 2019, over 400 demonstrations, processions and rallies were staged in Hong Kong, with a significant number of incidents ended up in outbreaks of violence. Given the widespread and imminent public danger posed by the violent and illegal acts of masked protesters, the Chief Executive in Council made the Prohibition on Face Covering Regulation under the Emergency Regulations Ordinance to prohibit the use of facial covering in certain circumstances, in order to allow the Police to handle further illegal and violent acts of radical protesters more effectively. In its judgment in April 2020, the Court of Appeal upheld the constitutionality of the Emergency Regulations Ordinance insofar as it empowers the Chief Executive in Council to make emergency regulations on any occasion of public danger. The constitutionality of the prohibition of facial covering in unlawful assemblies and unauthorised assemblies was upheld.

"The Independent Police Complaints Council (IPCC), comprising more than 20 members drawn from different sectors, already submitted the 'Thematic Study Report on the Public Order Events arising from the Fugitive Offenders Bill since June 2019 and the Police Actions in Response' (Thematic Study

Report) to the Chief Executive in May 2020. The independent IPCC takes full responsibility for the Thematic Study Report whereas the International Expert Panel plays a purely advisory role. The IPCC had duly consulted the International Expert Panel on the approach and methodology in data collection and analysis, and had fully taken the Panel's advice. Having holistically reviewed over 22 000 video clips, over 23 000 photos from members of the public, over 1 000 news articles and over 600 hours of news footage, the IPCC has proposed 52 recommendations to the HKSAR Government on a fact-based, comprehensive and objective basis. The Chief Executive has accepted all the recommendations in the Thematic Study Report, which are being followed up by the task force set up by the Security Bureau.

The spokesman continued, "The Report mentioned that the 2019 District Council Election (Election) was held 'peacefully'. The truth is, in the lead-up to the voting day, individuals including some candidates were assaulted and their properties were damaged. The total number of complaints received was the highest ever, and the increase was alarming. In particular, 1 458 cases of complaints involved criminal damage, use of violence and intimidation. Any irresponsible act with the intent to compromise an election should not be tolerated. Law enforcement agencies are following up on the complaints which involve criminal liability in the Election. Relevant Government departments will step up preventive and law enforcement efforts in future public elections to curb illegal conducts.

"As for constitutional development, the Basic Law provides for gradual and orderly progress in achieving universal suffrage of 'one person, one vote' for selecting the Chief Executive and electing all members of the Legislative Council and again, this must be premised on the 'One Country, Two Systems' principle and in compliance with the Basic Law. With CPG's support, the HKSAR Government launched two rounds of extensive consultations on universal suffrage in 2014/15 and spent a total of 20 months to tackle the issue but to no avail in light of the illegal Occupy Movement.

"Despite the challenging socio-economic situation since the latter half of 2019, Hong Kong's financial system remains resilient. The financial markets and the Linked Exchange Rate System (LERS) continue to operate smoothly. We have seen a steady inflow of capital into Hong Kong, and bank deposits have continued to increase over the past months. Stock markets stay vibrant and orderly, with a continuous flow of IPO activities attracting strong market interest. At present, the LERS is underpinned by sizeable foreign reserves of over US\$440 billion, which is more than two times our monetary base. Furthermore, our banking system has strong capital position and abundant liquidity. Currently, the capital adequacy ratio and liquidity coverage ratio are at 20 per cent and 160 per cent respectively, way above the international standards. Suffice to say that Hong Kong has the capability, resources and commitment to safeguard the LERS which has proven to work well for 36 years.

"With prudent fiscal management over the years, the HKSAR Government has built up healthy reserves and ample fiscal space to help the economy navigate through the current downturn and related shocks while maintaining long-term sustainability. Several rounds of relief measures have been rolled out, with

the latest relating to COVID-19 at a total cost of \$290 billion, or about 10 per cent of Hong Kong's GDP. We will continue to make good use of our reserves to implement timely and effective counter-cyclical fiscal measures to stimulate the economy and relieve the financial burden of enterprises and individuals.

"The European Commission has also chosen to express some views on the national security law recently enacted by the National People's Congress Standing Committee for the HKSAR to safeguard national security. This is constitutional, lawful, rational and reasonable as national security falls squarely under the purview of the Central Authorities and after some 23 years, the HKSAR has yet to fulfil its constitutional obligations to enact local legislation to safeguard national security.

The Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (the National Security Law) will not affect the high degree of autonomy, judicial independence and the rule of law in Hong Kong. The legitimate rights and interests of Hong Kong citizens will not be affected. The legislation only targets an extremely small minority of persons committing the four types of crimes that seriously endanger national security under the National Security Law, and protects the lives and property, basic rights and freedoms of the vast majority of citizens. The HKSAR Government has met with our local consular community to explain the purpose and implementation of the law. We will continue such efforts to allay any concern.

"The Report mentions that individual country or parliament has introduced measures or acts targeting Hong Kong. These are flagrant violations of international law and could hardly be in the interest of Hong Kong people and our bilateral partners.

"Hong Kong and EU member states maintain close economic and trade relations, and have been nurturing bilateral cultural and technological cooperation in recent years. In 2019, there were more than 2 300 companies in Hong Kong with parent companies in the EU, representing an increase of 7.5 per cent from 2017. Over 29 000 nationals of the EU have taken Hong Kong as their home and two international schools with varied European curriculum have been operating here to provide diversified education.

The HKSAR Government calls on the EU member states to adopt a pragmatic and rational attitude, and bear in mind the mutually beneficial relations between the two sides."