

Information Note for LegCo Panel on Security

Visa-free access to the European Union for Hong Kong Special Administrative Region Passport Holders

SUMMARY

The Justice and Home Affairs Council of the European Union (the Council) reached a positive decision on a draft Council Regulation on visa policy on 1 December 2000. When coming into operation, the Regulation will grant visa-free treatment to a list of countries/territories including the Hong Kong Special Administration Region (HKSAR). It is expected that the draft Council Regulation will be formally adopted in the first half of 2001 after the European Parliament has been consulted.

DETAILS

2. Since the entry into force of the Amsterdam Treaty in June 1999, the EU has been working towards a common visa policy for its Member States (MSS) so that the Schengen arrangement would be integrated into the overall EU structure. On 26 January 2000, the European Commission proposed a draft Council Regulation listing the countries/territories whose nationals must be in possession of visas when crossing the external borders of the EU, and those whose nationals are exempt from that requirement. The HKSAR was placed on the visa-exemption list.

3. On 1 December 2000, the Council agreed to the draft Council Regulation and reached an agreement in principle to grant visa-free access to HKSAR passport holders. The agreement is not accompanied by any pre-conditions. However, there is a specific mention of a readmission agreement in that the Council has made a statement asking the European Commission to put forward a recommendation for negotiating a readmission agreement with Hong Kong. Our understanding is that the implementation of the Council Regulation may take effect before the

conclusion of such a readmission agreement.

4. We stand ready to negotiate a readmission agreement with the EU and believe that the readmission agreement signed between Hong Kong and the Federal Republic of Germany on 17 November 2000 is likely to be the basis for the negotiation of any further readmission agreement with the EU.

5. The draft Council Regulation has to be submitted to the European Parliament (EP) for consultation before it can be formally adopted. Our understanding is that the EP's Committee on Citizens' Freedoms and Rights, Justice and Home Affairs has adopted a report on the draft Council Regulation on 6 February 2001 with a minor amendment that does not concern Hong Kong. The report is expected to be discussed and adopted at the plenary session of the EP to be held at end February/ early March 2001. Where Hong Kong is concerned, we do not expect any complication on this matter because the EP has passed a resolution in support of granting visa-free access to Hong Kong in the context of the "Report from the Commission to the Council and the European Parliament - Second Annual Report by the European Commission on the Special Administrative Region on Hong Kong" on 25 October 2000. The remaining legal procedure is expected to be completed in the first half of 2001.

COMMENTS

6. The decision of the Council to grant visa-free treatment to HKSAR passport holders is a major breakthrough in Hong Kong's lobbying efforts to promote travel convenience for HKSAR passport holders. It signifies the EU's confidence in HKSAR's immigration control implemented under the "One country, two systems" principle. It will also carry positive demonstration effect on those Central and Eastern European countries which are now applying for EU membership.

7. When the Council Regulation comes into effect, HKSAR passport holders will be able to visit 13 more Member States without visa for a stay of three months. (The UK and Ireland have already granted Hong Kong visa-free access.) This will bring the total number of countries and territories granting visa-free access to HKSAR passport

holders to 86.

8. The EU is our third largest trading partner. In 2000, total bilateral trade amounted to HK\$384.1 billion, representing an increase of 11.6% compared to 1999. Greater travel convenience for HKSAR passport holders will further enhance the already very strong economic, tourist and cultural ties between the EU and Hong Kong. In 2000, the number of European nationals visiting Hong Kong increased by 7% to some 1.4 million. The trips made by Hong Kong residents to Europe also increased by 18% to some 300,000. When the Council Regulation is implemented, a further 20% growth on our outbound tourism is expected. Besides, visa-free access will also enhance our gateway role and place us in a better position to help the EU companies, small and medium sized enterprises in particular, to grasp new business and investment opportunities in the Mainland arising from her imminent accession to the World Trade Organisation.

9. The public in general will also benefit from the timely adoption of the Council Regulation. With visa-free treatment, they will save both time and money in applying for visas to the EU. As at 17 February 2001, the Immigration Department has issued some 1.4 million HKSAR passports while another three million Hong Kong people are eligible to apply. We expect the demand for HKSAR passports will rise significantly when the Council Regulation comes into effect. The Immigration Department will deploy necessary manpower resources to cope with any surge in HKSAR passport applications.

Security Bureau

20 February 2001